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**ON**  
**Personnel Administration**  
**( PERSONNEL PLANNING, STAFFING OF PUBLIC SECTOR**  
**UNDERTAKINGS AND PERSONNEL MANAGEMENT )**

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# **STUDY TEAM ON PERSONNEL ADMINISTRATION**

**(Personnel Planning, Staffing of Public Sector Undertakings & Personnel Management)**

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## LETTER OF TRANSMITTAL

**R. K. PATIL,**

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Staffing of Public Sector Undertakings,  
and Personnel Management.**

**NEW DELHI,**

**August 16, 1967**

**DEAR SHRI HANUMANTHAIYA,**

I forward herewith the report of our Study Team on Personnel Planning, Staffing of Public Sector Undertakings and Personnel Management.

2. The report is in two parts. Part I deals with Personnel Planning and Management in the Central Government and Part II with Public Sector Undertakings; an introduction brings out the main points of the whole report.

3. Part I is divided into five chapters. Chapter II deals with the growth of Personnel. We are of the view that this growth is not justified by its present output of work and it is largely due to a mistaken idea of the role of the Central Government in the administration of the country which has led to :

- (i) the undertaking of unnecessary or unimportant functions; and
- (ii) duplication of effort on matters already being dealt with in the States.

We have made suggestions for a thorough examination of the present functions of the Central Government with a view to their rationalisation and limiting the personnel to the bare minimum.

4. Chapters III and IV deal with Personnel Structures and Staffing and Personnel Management and Development. Our conclusion is that the basic personnel structure, as it obtains today in our country, is fundamentally sound and appropriate to our needs; but the cadre concepts developed for superior services have not proved successful in relation to the personnel problems of a large number of positions having repetitive functions and in whose case skills can be measured. We have suggested the reinforcement of cadre concept by the adoption of position classification techniques, specially, in Class III and Class IV. We have further examined the present procedures for staffing of the higher positions in Government and have suggested their modification, which would provide for a broad basing of the choice of personnel so as to tap the resources of all departments of Government, and do away with the present complaint that they are generally the monopoly of a particular service. In particular we consider that there should be more purposive development of professionalism at these levels.

5. We have found that Personnel Management and Development are new concepts and their operation has been almost non-existent in the pre-Independence period and at the present day. Cadre strengths are not properly determined and subjected to regular review to enable forecasts of future requirements. No conscious effort is even made to spot competent persons early and develop them for higher positions. Training facilities are extremely meagre and need to be considerably varied and strengthened. In fact, Personnel Development today has been reduced to what is achieved by individual effort.

6. Our assessment is that in the present atmosphere in the services, there is undue and improper emphasis on promotion prospects. Its origin lies in our post-Independence history, and it becomes a pursuit of what is in most cases an unrealisable objective. This interferes with a proper discharge of current duties. To add to this distressing situation, supervision and discipline have suffered tremendously. We have suggested that apart from an administrative reorganisation which places definite responsibility on each individual, and improving procedures for taking disciplinary action, it is necessary to confer on the supervisory and higher officers the authority to suspend the immediate subordinates for reasons to be recorded, subject, however, to review by the next superior officer.

7. The problem of keeping the services contented in an era of rising prices, a competing private sector and mounting administrative costs, has to be tackled. Besides we find that our present pay structures are loaded in favour of the higher services and the higher posts and are, therefore, comparatively unjust to the rest. We have suggested the outlines of a pay structure and a scientific base for our pay policy. Some of us feel that the imposition of a ceiling on pay will impede the process of economic development. It is, however, clear that such a course can only be operated in the context of a National Pay Policy which would comprise the private sector as well.

8. Our feeling is that generally the administrative machinery has become cumbrous, is run down and has not received close and continuing attention from the senior officers. They have not succeeded in preventing the fall in standards of administrative efficiency. To provide a unified approach to all these problems, we have recommended the creation of a Central Personnel Agency, wherein, we hope, the administrative heads will find sufficient scope and authority for instilling into the services a new spirit of dedication, hard work and contentment.

9. The ultimate responsibility for securing all this falls on the Political Executive which is at the head of our administration. Gladstone once said to the House of Commons 'your business is not to govern the country, but it is, if you see fit, to call to account those who govern it'. We believe that there has been a failure in this respect on the part of the political executive. We have tried to analyse past experience and indicate how the position could be improved.



(iii)

10. It was a great privilege to me to be associated with eminent members of the Team in examining what is, perhaps, one of the most crucial subjects bearing on our future. I wish to express my thanks to all the members of the Team, from whom I have received unstinted assistance and co-operation. In particular I wish to place on record our thanks to our Secretary, Dr. B. D. Sharma, I.A.S. He was responsible for bringing to our notice not only the pros and cons of all the issues discussed in our report, but also for giving us an insight into their effect on the present administration. He has brought to bear on his task unfailing courtesy, hard work, breadth of vision and a detailed and thorough examination of all the problems.

11. We would consider our efforts amply rewarded if our study helps the Commission in appreciating the major problems affecting our administration and the personnel system manning it.

Yours sincerely,

Sd/- R. K. Patil

SHRI K. HANUMANTHAIYA,  
Chairman,  
Administrative Reforms Commission,  
New Delhi



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## CHAPTER I

### INTRODUCTION

1.1 We have been entrusted with the task of examining the field of personnel administration excluding some specific items—recruitment, training, PSCs, promotion and morale. This is a vital area and we have been deeply conscious of the heavy responsibility placed on us.

1.2 By early 1967, employment in the state sector\* crossed the 9.5 million mark. The total wage bill of the Central Government alone stood at Rs. 567.6 crores. Not only are the absolute figures significant but their rates of growth are even more so. We consider that the most important problem, therefore, in the field of personnel administration, is to ensure that this vast manpower resource employed in the state sector yields the best possible return, that its size is reduced and that it grows only when it must. It is clear to us that at least some of the growth in the last two decades has been unwarranted; the most important reason for this appears to have been the accretion of unnecessary and unimportant functions, duplication and centralisation.

1.3 This conclusion has been reached by us in full awareness of the more responsible role which a government must assume in a developing economy. Actually we are clear in our minds that the State in India has to be served for a fairly long period with a sizeable, technically and professionally competent and diversified, administrative apparatus.

1.4 The most phenomenal and wasteful growth has been caused by those who act on the premise that if developmental schemes are to be implemented satisfactorily and with a sense of urgency, centrally controlled countrywide organisations are necessary. The result has been a fair amount of redundancy and duplication at the Centre and also some undermining of State autonomy. Not only is there a need for drastic reduction of the size of existing units but some of the organisations could even be wound up. We have set out some principles which should be borne in mind while allowing the creation of a new unit or expansion of an existing unit.

1.5 We then turn to examine the existing machinery in Government for checking growth as such. It appears that once a scheme has been approved, or a position created, the individual or the organisation is assured of a secure existence indefinitely even after the original purpose

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\*In this report, the term 'state sector' comprises the 'government sector', the local bodies and the 'quasi-government' organisations; 'government sector' comprises the Central and State Governments; 'quasi-government sector' includes all organisations wholly or substantially financed and/or controlled by the government; and 'public sector' has been taken to include the industrial, commercial and other 'profit making' public sector enterprises.

for which it was created has been served. We should have thought that the O & M organisation which has been in existence for more than ten years would have been successful in checking this growth, but it seems that it has been fully absorbed by the administrative octopus and that it has been put in its place; we have, therefore, suggested the abolition of this organisation in its present form. We also find that the Staff Inspection Unit's capacity and achievements so far are much too small for a decisive impact. The Administrative Reforms Department, which attempts to tackle the same problem by procedural changes, is yet to step out of the experimental stage. The overall purpose will be better served if these two organisations are integrated and placed under one authority. Organisational cures are not sufficient; for effecting drastic reduction, we feel the first pre-requisite is a firm determination and a categorical statement of policy in this regard at the highest political and administrative levels. Given this, it is possible that an *ad hoc* high-powered body, as suggested by us, may succeed in reducing the size to a level determined by strict functional requirements.

1.6 In the following chapter we take up some basic questions of personnel policy. Personnel policy, according to us, is an integral part of the administrative system which itself is determined by, and to some extent determines, the social, economic, and cultural situation in a country. These aspects, specially the transitional phase of our economy, are, sometimes, not given due consideration by students and practitioners of Public Administration in India. While we have taken note of the profound impact of current advances in management science and management technology in the West on their governments and civil services, we have examined every suggestion strictly in the light of its applicability to our own conditions. Ideas and institutions accultured in other systems may neither automatically be applicable to, nor be necessarily invalid in, our soil.

नियमित नियम

1.7 We survey the administrative landscape in the country; the entry of personnel in various classes and levels is mostly divided into various streams, which primarily feed the various functional departments. Thus the service structure forms the basis of our personnel system. In view of its central position, we have examined the conceptual base of the service system in greater detail. We have specially compared it with the Position-Classification concept prevalent in the USA. Our comparison shows that the basic principles underlying both systems are the same; in some ways, the service concept is a refinement of the Position-Classification concept. The most important point about position-classification is that it attempts to replace the somewhat subjective and *ad hoc* assessment of position-values by objective measurement and to that extent becomes an effective instrument of personnel management. We consider that the service concept can be usefully reinforced with the use of these techniques, specially at the lower levels, where quantification is more practical. The idea has limited utility at higher levels and should be used with the greatest caution.

1.8 The question of position-oriented personnel structures leads us to the much debated question of lateral entry. The pattern of lateral entry is determined by factors like skill requirements and availability, techniques of recruitment, promotion etc. and their reliability, the desirability of building up certain personality traits and the socio-economic situation. Broad based service structures become inevitable in a developing economy because of the insignificant turn-over of government employees as a result of outside employment opportunities being limited and the economy's fast changing skill-requirements. The problem of lateral entry is so complex that no uniform pattern for all sectors is possible. The present provision for lateral entry at a small number of points in traditional sectors and at more points in the scientific and technological fields appears to be satisfactory. However, the emergence of homogeneous nation-wide skill markets would call for liberal lateral entry in the concerned specialities. Therefore, a continuous appraisal of the system is necessary so that the personnel structure is always in consonance with the emergent situation.

1.9 From this conceptual base, we move on, in the following section, to the examination of services as they are, right from the Centre to the district level. We start with the All India Services which are a unique feature of our personnel system. We have re-examined the basic considerations which led to the constitution of the Indian Administrative Service, and have come to the conclusion that not only do they hold good at the moment, but, on some counts, there is even greater justification in present conditions. We have specially noted in this context the ever-increasing role of the State in welfare programmes, economic development and social administration, the increasing polarisation of the rich and the poor and of the urban and the rural and the impact of democratic forces on administration. Many of those entering government services coming from the upper middle urban social strata, in time to come, may be completely unaware of conditions in the village and of the poor; some of them, during their careers, may come in touch only with the affluent. If realism and a 'human approach' have to inform the consideration and policy formulation levels, no personnel policy can afford to leave the inculcation of correct attitudes to chance factors and must, as a matter of design, provide for experience near the common man. Another relevant factor is the emerging Panchayati Raj which is just the next step in the realisation of 'grass roots' democracy. A common administrative base now is necessary for serving all the three tiers of government facilitating the communication process, for avoiding deficiencies in perception and for ensuring freedom from the changing fortunes of the political executive.

1.10 The basic considerations for the constitution of the two All India Services on the eve of independence are equally valid in other fields and as many specialities as possible should be covered by this service structure. However, we have observed that certain structural characteristics of the Indian Administrative Service are taken for granted and their suitability presumed, without a critical scrutiny, in

relation to every new field. We have brought out those points which are likely to prove pitfalls. Any decision for the constitution of All India Services should be taken in full view of those considerations and should be based on a clear finding in favour of the All India Service structure.

1.11 We move on next to the Central Services. We are of the opinion that, as a general rule, with the emergence of identifiable groups of positions in any speciality, service cadres, where viable, should be formed. Too small cadres, however, should not be constituted, specially for regulatory organisations. Cadre authorities should also not be hustled into taking decisions, as a service once constituted comes to stay notwithstanding its being unviable or illstructured. Further, our analysis shows that the problem of positions in Class II has not secured enough attention from the cadre authorities; structures at these levels need rationalisation. The flow of personnel between the Central and State Services also needs to be put on a regular basis:

1.12 Our examination of State Services has been limited to a few specific questions only as other general recommendations would be equally applicable to them. The proportion of Class II posts to Class I is much higher in State Services; these services are the executive arms of State Governments. The problems of these services, specially of those in traditional fields, require sympathetic attention. In general administration we find that the gap between the recognised levels of responsibility of positions supposed to be held by an Indian Administrative Service officer and by a State Service officer is much too wide; identification of levels of responsibility between these two, and creation of an intermediate scale will be fair to the State Services and will also reduce the pressure on the All India Service. We also consider that the Government of India would do well in drawing upon the valuable experience of this vast resource of high quality personnel in States for manning Central Secretariat positions.

1.13 Having thus first cleared the ground of basic personnel structures in the first section and analysed the structure of services as they exist in the second, we move on to the most important problem of personnel administration, namely, the staffing of higher positions. The importance of these positions flows from the fact that they provide administrative leadership to the entire organisation and exert influence far in excess of their numerical strength. The problem is somewhat simpler in the case of technical and specialist departments where corresponding technical or specialist services provide personnel for higher positions. The question of higher secretariat and departmental positions, for which a much wider field of selection is contemplated, is somewhat different. Notwithstanding the provisions in schemes for staffing at higher levels, their actual operation appears to be left largely to chance factors and also, to some extent, open to the free play of personal prejudice and group or even personal interests.

1.14 The basic issues involved in the manning of secretariat positions have got further complicated by incorrect appreciation of the Secre-



tariat-Department relationship, confusing functional roles with superior-subordinate relationships. The traditional higher emoluments in the secretariat, specially at the Centre, have further contributed to this perceptual distortion. Appreciating their functional roles, we have favoured their continuing as separate entities. Moreover, the 'generalist' concept, which represents a specific work-experience considered necessary for policy formulation, has been stretched too far and has taken the extreme form of treating almost any experience good enough for any position. The sudden demand for high level personnel in the last two decades and consequent moving up of all officers of the I.C.S., the premier senior service, also gave rise to a feeling of higher positions having been monopolised by a class depriving some others of them; an extreme reaction to this somewhat mistaken view is even reflected in an implicit, if not direct, plea for proportional representation of all Class I services in these positions. We have expressed ourselves strongly against any view which tends to give to the procedure for staffing of higher positions a semblance of sharing of spoils of office. It would be a most retrograde step if a concession is made, even remotely, to this dangerous principle. Our suggestions for proper appreciation of functional roles and correcting emolument relativities will go a long way in removing the perceptual aberrations.

1.15 We proceed to discuss some solutions, particularly the Unified Civil Service, which have been put forward by various persons from time to time. We have examined at length all possible forms a Unified Civil Service can take and have analysed the implicit presumptions underlying them. We find that proposals like this are more an extension of the prevailing 'formula' approach to personnel problems; no such scheme can answer the very intricate problems of our personnel system.

1.16 We have tried to fully analyse this problem. Our analysis shows that, in procedural terms, the administrative process has at least three aspects—supportive secretariat functions, consideration and policy formulation. Personnel differentiation on a functional basis varies from one organisational level to another, being maximum in the secretariat and minimum at the field level. Higher secretariat positions are generally policy formulation and consideration levels. The spelling out of requirements at both these levels, in purely functional terms, leads to three basic concepts which should underlie our personnel policies: *Firstly*, there is need for interchange between secretariat and departments and between the Centre and States; *secondly*, consideration levels should be subjected to higher doses of professionalism; and, *finally*, policy formulation levels, while needing professionalism to be developed to a degree, have also the additional important requirement of more varied experience and experience at 'grass roots'. These principles, however, do not lead us to the rejection of the present scheme of staffing which in practice is just a set of permissive provisions for the utilisation of all the manpower resources available within the government and outside; the scheme needs to be implemented in its real spirit. Service structures being at the base of our personnel system have to provide the bulk of the

high level personnel; the internal structure of, and the normal work experience provided in, each service determine their respective capacities to contribute. This supply of personnel has to be supplemented from other sources particularly the public sector enterprises. Two schemes, one each for the consideration level and the policy formulation level, have been suggested by us.

1.17 Staffing of higher positions in advisory and consultancy organisations poses some special problems. Our examination shows that building up of a service or a quasi-service structure in such organisations does not adequately answer their requirement. These organisations, like the Secretariats, do not produce their own expertise and have to be staffed on the principle that the best talent in each professional group is tapped for different levels in the organisation; officers should join such organisations for a specific period, give the benefit of their experience and go back and merge with their parent streams. Thus, the principle of interchange between secretariat and field has to be extended to these organisations; "field" in their case comprises the concerned professional group.

1.18 Lastly, we take up some specific issues. We do not favour the constitution of pools like the Central Administrative Pool, or its variations; we are against a system where officers sever their relations with their parent cadres which provide the very basic experience which makes them eligible to hold higher positions. However, it is important to note that we have proposed a *fundamental* change in the "tenure" system—viz., that the system should be functionally and professionally oriented. We have also examined the role of the Secretariat Service. This Service has been occupying an increasing proportion of higher positions particularly at consideration levels. It has tacitly come to be recognised that sufficiently long experience in any lower Secretariat position qualifies the incumbent to hold the next higher position. We do not agree with this practice as our analysis shows that consideration and policy formulation levels have their own distinct requirements and a Secretariat bound Service, which is basically supportive in character, cannot meet these requirements.

1.19 In chapter IV we consider Cadre Management and Development; it is ultimately the satisfactory performance of these functions which determines the degree of success of even the best theoretical structures. We regret to note that well-considered cadre management policies have generally not been laid down by the various cadre authorities except, to some extent, the Ministry of Home Affairs. What is worse, successful management practices in one organisation fail to spread to other organisations or even to another unit in the same organisation. The implementation of well understood principles is, sometimes, half-hearted and, sometimes, resisted by interest groups.

1.20 The desirability of quantitative adequacy in service cadres is obvious; some of the service cadres are short of personnel, yet the

importance of strengthening the base of recruitment has not been appreciated. Changes in demand-supply patterns have had no perceptible effect on the age old recruitment procedures which continue to have the same leisurely pace. The fullest advantage of the fast expanding educational base can be taken only by a scheme which provides for spotting the most brilliant, gives a fair chance to those coming from backward regions and lower strata of society to make up their deficiency and removes the disability imposed by the compulsions of testing proficiency through a medium in which a large majority do not feel at home; we have given, by way of illustration, a plan for recruitment to the higher civil services.

1.21 The management of cadres is not satisfactory. In many services, cadre strengths get fixed on an *ad hoc* and an unplanned basis; no leave, deputation or other reserves have been provided and there is no planned recruitment programme. The recruitment rate in some cases is even lower than the normal maintenance rate. It appears that some services are being kept understaffed—whether deliberately or not, we refrain from judging. Similarly, the utilisation of personnel is capable of a good deal of improvement. In some cases cadre positions in Class I are filled for long periods from Class II and even Class III, while cadre officers continue to be on deputation far in excess of reserves, or even when there is no such reserve. This state of affairs needs immediate attention and drastic corrective measures. We have suggested the creation of properly constituted high-powered cadre management committees which should attend to these questions on a continuing basis; we think that this is the only means by which common personnel practices can be developed in government as a whole.

1.22 Another important source of much of this confusion is the definition of the purpose of a Class I service itself. We find that even the Second Pay Commission discussed this question apparently on the basis of impressions and gave two different findings in the case of two basically similar service structures. Their observation that non-technical services are meant really to man higher positions has ever since been troubling cadre authorities who have been trying to adjust their cadres so as to approximate to this supposed situation which in fact does not exist. From our examination, we have come to the conclusion that the internal structure of a service is a function of departmental requirements and no uniformity in their internal composition can be achieved; it would be unrealistic to superimpose a pre-determined structure on any organisation.

1.23 At the base of most of these problems has been the question of promotion prospects. During the last two decades, all services, with a few exceptions, have had tremendous promotion opportunities; this will not happen again at least in the foreseeable future. Yet almost everyone is dissatisfied; every service is pointing to the next higher, every individual to the one who has got more, the highest in Government

point to those in the private sector who, in their turn, point to the privileges of government service. Thus, a vicious circle is created. We are clearly of the view that promotion prospects cannot but be a minor consideration in determining a cadre structure; it must be a derived attribute of the service structure which is basically designed to serve the needs of an organisation. We consider that, in any structure where turnover is as low as in Government, an average officer has to be content with the entry grade itself; the 'above average' may go up by one step and only the outstanding by two or more steps. Any better prospect is a result of unusual circumstances and cannot be accepted as normal.

1.24 This brings us to the question of pay policies. We have examined some basic issues underlying our pay structure. In the context of our socio-economic situation, where government services are likely to continue to be career appointments, there is no alternative to a long scale, notwithstanding theoretical advantages of shorter scales. The middle point of such a long scale should be considered to be the actual value of the concerned position, remuneration in the first half of the career being less and in the later half more than the real value; a long scale provides an increasing pay packet with growing responsibility.

1.25 Our examination shows that our pay structures are the result of a series of *ad hoc* decisions over a period of time. There are quite a few structural anomalies; no well recognised principles appear to underlie the determination of the maximum-minimum ratio, the average increment or the spacing of scales. The advantage in all cases appears to be in favour of higher scales. We have come to the conclusion that the pay scales require restructuring. We have given an illustrative structure which *inter alia* satisfies our special requirement of longer scales.

1.26 In the absence of a scientific base for our pay plan, we find that actual emoluments have lost their relationship with its basic determinants, namely, level of responsibility, basic educational qualifications, proficiency requirements and service conditions. Four main reasons are responsible for this. Firstly, the pay level is dependent on the paying capacity of the employing organization; secondly, the level of emoluments is inversely proportional to the distance of a post from centres of power; thirdly, indifferent or even prejudicial treatment is given to traditional departments compared to those in limelight for the time being; and lastly, there is a tendency to take *ad hoc* decisions, to consider isolated cases out of context and to succumb to pressure. We consider that it is time that a uniform pay structure is given to the entire state sector. This may be supplemented by a regional component, a locational component and any other special component considered necessary to compensate an individual working under different conditions.

1.27 On the question of maximum and minimum emoluments, we consider that the importance of quantum of pay packet has been

much too stressed in the higher services and higher positions; a notional pay differential is all what is required. At the lower levels, it is, however, the problem of sheer subsistence. Some of us consider that, as an immediate step, the national minimum, given a reasonable price-level, may be fixed at Rs. 75.00 and the maximum at Rs. 2,500.00. Others, however, feel that the fixation of a maximum is apt to mar incentive and adversely affect economic development. This suggestion, however, is subject to simultaneous action to reduce the salaries in the private sector as well in accordance with a clearly drawn up national pay policy. We do not see any reason why this should not be done very early.

1.28 Regarding Pay Commissions, we consider that there should be a regular interval, say of ten years, between one Pay Commission and another. Also a Pay Commission should not be saddled with the responsibility of getting down to the level of minute detail as was the case with the first two. Their well-considered opinion should be sought on key issues only and rest of the work should be dealt with by a Pay and Allowances Division with the Central Personnel Agency.

1.29 In the next section, we consider the problems of temporary employees, supervision and discipline, placement and tenure. The phenomenal increase of numbers has created a number of personnel management problems in these areas. We do not think that there is any justification for a post continuing as temporary for more than one year unless created for a purely *ad hoc* function. The fixing of responsibility of each individual, evolving work standards and giving sufficient authority to supervisors for taking prompt action against any deviation from duty would solve many of the problems of supervision and discipline. The 'tenure' system is essentially an institutionalisation of the need for change of personnel at higher levels. We find that the movement, sometimes, is slowed down and, sometimes, is not in the right direction for a number of reasons and the basic purpose of the 'tenure' system tends to be defeated. These provisions should be rigidly applied for ensuring movement between State Governments and the Central Government, between Departments, on the one hand, and Secretariat and/or public sector enterprises, on the other, and within the Secretariat itself in the case of Secretariat Services.

1.30 In the end, we consider the problem of personnel planning and career development. There appears to be no general awareness about the necessity for personnel planning; the need for building reserves in the context of a developing economy has also not been realised. A Personnel Planning Unit, therefore, appears to be necessary in every major organisation which should, in the first instance, devise a proper reporting system. A critical review of the manner in which various units in government have expanded over the last 10 years would help in determining the reasons for this growth and in forecasting personnel requirements. This should serve as a starting point for personnel planning on sound lines.

1.31 Career development programmes have yet to make a beginning in our country. In its wider connotation, career development means the optimum development of each individual and, thus, includes formal and on-the-job training, work-experience and self-development. We find that training functions of Senior Officers also are no longer considered important, at least in practice, as before. Even with the institution of more formalised training programmes, the role of senior officers in the development of a trainee through personal touch in the beginning of his career will continue to be very important. At the moment, the most important need is for developing personnel for key positions in different fields. These positions need to be identified and special programmes formulated. We have illustrated our suggestions with reference to the career development of a specialist group.

1.32 In chapter V we consider Personnel Agencies. It appears that personnel management is treated merely as a part of routine establishment work and its positive aspects are not fully appreciated. The result is that personnel departments are generally ill-structured, indifferently staffed and placed rather low in the hierarchy of organisations. Thus they are not capable of handling basic questions and a vicious circle is formed. As, in the last analysis, the personnel officer is really an extension of the chief executive to secure that each person in the organisation does his job with the maximum efficiency, these units should be placed directly under the chief executive or, at the most, one level below. The management of personnel is now a specialised job and there is need for building up cadres of personnel officers specially selected and adequately trained.

1.33 In the Government of India, the Ministry of Home Affairs is performing most of the higher level personnel functions. However, even at this level, there is lack of appreciation of the positive aspects of personnel management. There is, therefore, need for a Central Personnel Agency which should not only be responsible for all personnel policies in Government but also provide leadership in personnel functions to the States and public sector enterprises. The proper location of this agency will be in the Ministry of Home Affairs itself.

1.34 The setting up of the Central Personnel Agency should be preceded by a very careful design of its structure. We would prefer a personnel adviser to Government being appointed to begin with and associated with the planning stage itself. In the operational stage, he should head a small advisory unit whose functions should essentially be catalytic and experimental so that some model can be designed which can be the basis of action in other areas.

1.35 Finally, we turn our attention to the political executive. They represent the 'primary social force' of the community and handle the machinery of government as an instrument of social and economic change. They are not only a product of the Time Spirit, but also profoundly influence it. We, therefore, hold that by setting an example, it is for

the political leadership in the country to create the right climate for high standards of integrity, austerity and hard work and instil a sense of dedication in the entire administrative machinery.

1.36 We have closely examined the relationship between the political executive and civil servants. The services and the political leadership were able to develop a healthy mutual understanding pretty soon after independence even though none of them had any previous experience of running a democratic state. However, we find that this process has somewhat slowed down and, in some cases, there is even a definite setback. Differing personal attitudes, blurring of dividing lines between policy and execution, departmentalism, casteism and regionalism are some of the important factors. The democratic process itself will soften the clash of personalities; other points, however, need determined corrective measures.

1.37 In the end, we note that the political executive, in a democratic and developing society, has to have a combination of qualities which is relatively rare. The political parties, therefore, have a heavy responsibility for building up the right leadership. Their efforts could be supplemented by well-designed orientation programmes for those who may be chosen to hold these important positions. The emergence of a democratic set-up at the district and still lower levels is an important event so far as the process of building up leadership is concerned.

1.38 In part II of our Report, we take up the question of staffing of public sector enterprises which comprise all organisations controlled and/or financed wholly or substantially by the Central and State Governments. This sector now employs about half as many men as the entire Central Government and is growing three times faster. The percentage of employees in higher pay ranges is also three times that in the Central Government; the absolute number is already one and a half times. Therefore, any personnel policy, which does not adequately cover this important sector, is likely to be completely unrealistic.

1.39 We have found it useful to divide the quasi-government sector into the two broad categories of 'profit making' and 'non-profit making' organisations. The former can be distinguished from the latter in having concrete and objective indicators of performance and in the role of government in relation to them being limited to a provider of equity capital or loans. The end-products in the latter are intangible; these organisations also depend on government for recurring and non-recurring capital and revenue expenditure. These two factors are so important as to call for a separate approach in personnel policy for each of these sectors.

1.40 Our basic approach to personnel policy, as in Part I, has been functional. As requirements of each organisation may be very different and each would need special treatment, we have favoured maximum autonomy in personnel matters as a desired objective. We,

however, note that one of the guiding principles of personnel management in Government is that services should not become a source of patronage; the constitutional provision for Public Service Commissions is partly for that purpose. All personnel functions except recruitment, are internalised both in government and quasi-government organisations. The lack of consultation of a body like the PSC in recruitment in case of quasi-government organisation, thus, is the most important difference in personnel policies guiding the two sectors. In the case of non-profit organisations, in view of there being no built-in mechanism to continually assess their performance, we feel that there is a need for formalisation of institutional arrangements for recruitment. We, however, do not favour the superimposition of the PSC and their procedures on all such organisations. We have suggested association of the UPSC in important policy matters. Our concept of the Public Service Commissions, specially the UPSC, in the new situation, is that of providing dynamic leadership in the field of personnel administration rather than being only one of merely protecting certain privileges. A new process of thinking leading to bold experimentation in the hitherto unexplored areas of personnel recruitment, promotion, etc., should inform the Public Service Commissions even in their original functions relating to Government services.

1.41 We then turn to the examination of problems of commercial and industrial enterprises in greater detail. Here, we find that the performance can be fairly accurately assessed and the nature of their functioning is such that it requires a very high degree of flexibility in approach to personnel problems. We, therefore, have come to the conclusion that government should take the utmost care in appointing the Board of Directors but thereafter leave them completely free so far as their personnel policies are concerned. The present procedure of making top appointments is, however, not satisfactory as it appears that persons with industrial experience need not necessarily be associated in such selections. We consider that the Selection Committees should have persons, amongst others, who have experience of industrial and commercial fields.

1.42 Personnel policies are influenced considerably by the organisational form and the size of an organisation. Small units may not have sufficiently broad personnel bases to be self contained personnel units, while a big organisation can afford to develop all its personnel within itself. We find that the Industrial Management Pool as it was constituted and the way it was worked has not been an unqualified success. We have suggested its winding up. We have also considered the new pool scheme which proposes to cover even lower posts than the present Pool. We do not favour it as it is bound to bring in the service concept as obtains in Government into the Industrial sector as well. In our view the service concept of staffing with its emphasis on seniority, comparability of promotion opportunities, etc., is singularly unsuitable to industrial enterprises needing a good deal of flexibility in its management of personnel.



1.43 We move on to some details of personnel management functions starting from personnel planning and deal with recruitment, training, career development, evaluation of performance, incentive schemes, discipline, pay, etc. We find that, generally, practices obtaining in government have been adopted. Perhaps this was inevitable in the initial stages when, in many cases, persons from government departments helped to start these organisations. Some undertakings are now adopting progressive personnel management practices but many others have yet to make a beginning. We consider it very important that the fund of experience in the public sector enterprises as a whole is shared by all. If all the experience were pooled and a purposive personnel policy adopted, personnel management would improve considerably. We have made detailed recommendations in most of these cases.

1.44 Lastly, we take up the question of a Central Services Commission for public sector enterprises. We are against rigid extra-enterprise control. We are, however, of the view that the setting up of an Agency on a purely consultancy service basis would be useful. It should be a co-operative venture of the public sector enterprises managed and controlled fully by them. We have named it as Central Association of Public Sector Enterprises for Common Services. It should stand or fall on its demonstrated usefulness to the user organisations. It may be started on an experimental basis and should expand as experience gets built up, functions get diversified and its usefulness increases.

1.45 In a work of this nature, it is but natural and, even necessary, to concentrate on the shortcomings, the difficulties and failures of the system. It is equally natural that a number of specific instances of inadequacy and failures are cited to support the conclusions and the recommendations that we have reached. It will, however, be wrong to build an image of the entire system on these isolated fragments purposely picked up for showing some deficiency. In fact, we find that the personnel system, as a whole, is well suited to our requirements. However, what is needed is in some cases to make it work efficiently according to its design; in some others, to analyse the new problems and make necessary changes; and in yet others, to foresee the likely problems and plan in advance to meet emerging situations. We have throughout had two objectives in making our suggestions; *firstly*, to suggest solution to immediate problems by making suitable changes and, *secondly*, to suggest basic changes of a long term character. We are only too conscious of the limitation of our work and the vastness of the area which we have attempted to cover. We are fully aware that quite a few areas should have been given more attention. What we have, however, tried to achieve is a basic analysis of important issues so that we are able to attack the root causes rather than grappling with their outward symptoms only.

## PART I



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## CHAPTER II

### GROWTH OF PERSONNEL

#### *Introduction*

2.1 The growth of the administrative apparatus, both in size and complexity, has been the most notable feature of the contemporary administrative scene. Old units have expanded and numerous new units have been added in all tiers of Government—at the Centre, in the States, at local government levels and in quasi-government bodies. In March, 1966, the entire public sector employed a total work force of 93.64 lakhs people; or, in other words, one member of every tenth family in India found employment under government. The dimensions of public sector employment will be better appreciated if it is remembered that (i) seventy per cent of our people live in villages where only an insignificant number is employed outside agriculture; and (ii) the entire private sector, excluding the establishments employing less than 25 persons and the self-employed people, accounted for a total employment of only 61 lakhs.

2.2 The problem of growth of personnel has four aspects:

- (i) the quantum and the rate of growth (with the implications that these have for the quality of personnel);
- (ii) different rates of growth at different levels in government organisations indicating structural change, reasons for this change and its implications for personnel policies;
- (iii) proliferation of organisations creating problems of duplication, priorities and adequate coverage; and
- (iv) problems of supervision, discipline and work-output.

2.3 In the following pages, we will examine the problem from the first three aspects and review institutional arrangements for checking unwarranted growth and proliferation. The fourth aspect will be dealt with in a later chapter.

#### *Quantum of Growth*

2.4 Systematic surveys of employment in the state sector have been undertaken only recently; the latest survey [Annexure 2(1)] shows that during the Third Plan period, personnel in the Central as well as in State Governments has increased by more than 30% and in local government bodies by more than 54%. An analysis of the Central Government budgets shows that expenditure on the wages and salaries of its employees increased from Rs. 124 crores in 1950-51 to Rs. 468 crores in 1964-65. The expansion in the Central Secretariat itself brings

into focus the phenomenal growth at all levels without any uniform relationship with the quantum or the importance of work. While in 1939, there were only seventeen Secretaries, Additional Secretaries and Joint Secretaries in the Government of India, in 1966 there were as many as one hundred & ninety six—an increase of more than eleven times [Annexure 2(2)]. As against twelve Deputy Secretaries then, there are now two hundred forty two—an increase of twenty times—and as against twenty Under Secretaries/Assistant Secretaries, there are now four hundred and forty eight, a twenty-one fold increase. We are unable to convince ourselves that this increase in personnel has been entirely or even largely due to increase in functions or in the quantum of work. Whereas twenty Under Secretaries could support the entire Central Government in 1939, even small offices require more than this number now. If account is taken of a large number of officers of similar status but with different designations, the actual degree of expansion would work out to be much larger. The State Secretariats also appear to have expanded fast; the expenditure on State Secretariats has tripled during 1950-1962 [Annexure 2(3)]. Thus, in all sectors, in every tier and at each level, the size of government machinery has grown and appears to be growing unabated.

### *Growth and Quality*

2.5 It has not been possible for us to go into the entire question of growth in very great detail, but we consider this tremendous growth as the most important single factor affecting personnel administration in the country at present. In particular, it has the following adverse implications:

- (i) The sudden expansion in the first instance and continued expansion thereafter, without taking adequate measures for forecasting requirements and for building up cadres, has resulted in dilution of quality. The dilution of quality itself becomes a good enough ground for upward movement of levels of responsibility. This leads to an increase in pressure of work at higher levels which, in its turn, further increases the requirement of personnel at those levels. Thus, a vicious circle is created; the quality of personnel continues to go down while the level of work continues to move up. The net result has been that in those organisations where functions are not determined statutorily, sometimes an identical job continues to be performed by an individual before and after moving up in the hierarchy, the individual gains a higher status and a higher salary but the performance of same functions costs government much more.
- (ii) The expansion also resulted in adoption of *ad hoc* methods of recruitment and in indiscriminate filling of posts without much concern for quality. A result of this *ad hoc* approach to administrative growth has been large scale promotions of persons who had no compelling qualifications other than

that they were near the centres of power or that they just happened to have been doing some jobs at the next lower levels. Besides affecting quality, this has also created an atmosphere of high expectations in government; in almost all services promotion is now expected as a matter of course for even the average and responsible persons put forward the view, without realising its full consequences for the personnel structure, that every government servant should have an opportunity of going up by two or three steps during his career. This has resulted in dissatisfaction, in spite of quick promotions, with one's own status and functions, a tendency to look forward to promotions as a vested right and the creation of pressure groups for 'adequate' promotion opportunities leading to the upgradation of posts and the creation of higher posts whether or not there is a real need.

### *Differential Growth*

2.6 A study of the growth of higher positions in the Central Secretariat from 1939 to 1965 shows that initially the highest rate of growth was at the level of Under Secretaries and the lowest at the level of Secretaries, Additional Secretaries and Joint Secretaries. In recent years, however, this trend has been reversed; during 1961-65, the number of posts of Secretaries and Special Secretaries increased by 33% whereas that of Under Secretaries marginally by 3.2%. In the lower group of posts from Section officers to LDCs, a similar pattern appears to be emerging though not as clearly as in the case of higher positions.

2.7 The same pattern is revealed in the Central Government as a whole by our examination of some statistical tables. In Annexure 2(4), Table I shows that during 1951-65, the ratio of gazetted employees to non-gazetted in the government has increased from 1 : 106 to 1 : 60; the rate of growth of gazetted employees was about three times that of non-gazetted employees. In the Secretariat, this ratio improved from 1 : 6.9 in 1960 to 1 : 6.2 in 1965 and in the attached and subordinate offices, from 1 : 79.5 to 1 : 65.3 (Table II). An analysis of the rate of increase in the number of employees in the four classes during 1960-65 in Table III also points in the same direction. The number of Class I employees increased by 94% during this period, that of Class II by 28% and of Class III by 30%.

### *Reasons for Differential Growth*

2.8 The following appear to be the more important factors responsible for this phenomenon :

- (i) As activities of government increase, existing organisations initially take up additional functions which result in expansion at lower levels only. For example, the setting up of one unit in the public sector under an existing ministry may require only one additional section, thus increasing personnel

requirements up to the Section Officer's level. Such accretions at the lower levels slowly add to work load at higher levels and a stage is reached when organisation needs bifurcation. In this process of division, only positions at higher levels multiply, those at lower remain constant. Expansion in the initial stages of the era of planning and consolidation thereafter, thus, is partly responsible for the differential growth.

- (ii) The psychological atmosphere of high promotion expectancy in services appears next. As time passes, pressures develop which become very strong in the consolidation stage because in the expansion phase there are natural opportunities of promotion.
- (iii) There may also be a genuine effort for strengthening organisations which, in the present context, means upgrading positions and recruiting persons with higher qualifications. Officer oriented staffing in some ministries will fall in this category.
- (iv) The democratic process itself may be, to some extent, responsible for the faster expansion at the top. Increasing political consciousness in the masses and searching enquiries of Parliament about every aspect of administration naturally result in the political executive personally looking in more and more cases, many of which, in the normal course, would be disposed of at much lower levels. In the process, the pressure of work at higher levels increases and expansion at those levels follows.

2·9 So far as this structural change takes place on valid grounds, there can be no objection to it. But we feel that it is, to a considerable degree, the result of organised or individual pressures. We will take up the question of institutional checks against these tendencies elsewhere in this chapter. Here we only wish to state that there can be no surer check against this than the realisation on the part of the authority in-charge of each individual organisation that while these changes appear insignificant by themselves, in the context of a large governmental machinery they add up to an enormous size and may become a menace to administration at the national level.

#### *Availability of Personnel and New Activities*

2·10 The phenomenal expansion accompanied by dilution of quality points, clearly, to a practice commonly prevalent of undertaking activities without considering the availability of suitable personnel capable of discharging new activities. We are of the view that the availability of suitable personnel should be considered the most important determining factor for any new policy or programme. We are surprised to see that while meticulous calculations of financial resources and even office accommodation are made before taking up a new activity the

availability of personnel is almost taken for granted. Some activities could not be started because adequate office accommodation was not available, but, many a time organisations start functioning even before the required personnel has been recruited; once started other compulsions come into play and the right quality of personnel becomes only a minor consideration.

2.11 Another factor which has been forcefully brought to our notice during our study is that, once a post is created or an organisation is born, there is almost no built-in process whereby the utility of the post or the organisation is examined from time to time. There is a provision for reviewing temporary posts and issuing sanctions annually but it is now a mere formality and has been reduced to routine. Thus for all practical purposes, once a post or a scheme passes the hurdle of Finance, it continues without any fear of disturbance and the organisation or the individual can lead a comfortable life without being accountable for showing concrete results or even without continuing to perform any useful function.

2.12 This brings us to the next aspect of the growth of personnel. Increasing functions of government and diversification of its activities have led to the creation of new organisations which, in turn, created a demand for new personnel. This proliferation of new organisations has brought a number of problems in its wake. It appears that there has been more than legitimate growth of both the number and the size of new organisations specially at the Centre. Here, every ministry happens to be a government in itself and, being almost independent, can easily convince itself of the essential nature of its multifarious units within its own frame of reference. Each unit, in its turn, specially those operating in the newer fields, easily convinces itself of its own importance and also that it cannot carry out its functions without bigger and better staff. Consequently, there has been considerable superfluous activity and drain on available personnel for peripheral functions.

2.13 It appears that every individual and every unit have developed a sufficiently good defence mechanism to fully justify one's own existence. This attitude gets support even at the highest political levels, making co-ordination in personnel matters almost impossible. Each unit seems to follow its own goals unmindful of national needs.

2.14 Multiplication of organisations has also resulted in a lot of avoidable duplication both between the different tiers of government and between different units within the same tier. Besides wastage of limited skilled manpower and ineffective coverage, duplication by itself may become a public nuisance with identical demands, requests and even advice.

2.15 At the national level, this proliferation creates the intricate problem of allocating personnel for priority schemes. Every item competes for scarce resources. The centre of gravity of functions tends to move away from traditional places and sometimes it moves so far away

that it leads to the neglect of essential items. Not infrequently, newer schemes make a provision for sufficient or even more than sufficient cushions for possible cuts based on past experience; thus the worst sufferers, in a situation where expansion takes place in a climate of austerity, are the old established units. This leads to the starvation of some sectors and extravagance in others.

2·16 The differential rate of expansion without any scientific assessment of requirements has also resulted in excessive strains on certain points in the administrative structure. Some functionaries specially in the older departments gather too much around themselves with little extra assistance resulting in bottle-necks, delays and inadequate attention. Side by side, there are other organisations whose personnel have no extra burden or may even have a comfortable time. This leads to demoralisation when notes are compared about the working conditions in different units, working conditions in the least strained unit setting the norm.

### *Reasons for Proliferation*

2·17 We are convinced that the growth we have been witnessing has not arisen from clear functional necessity. We have had no time to examine this growth in detail and, even if we had done this, there would have been a fairly significant area in which it would have been probably very difficult to express a categorical opinion. We propose to illustrate the problem by a few examples which show that proliferation has been due to one or more of the following reasons :

- (i) undertaking unnecessary or unimportant functions;
- (ii) unnecessary duplication at the Centre of functions carried on at the State and project level and similar duplication in state headquarters in relation to functions of field organisations;
- (iii) necessary co-ordination developed to a level which resulted in unnecessary centralisation of power and authority; and
- (iv) the Centre trying to discharge duties which are primarily functions of States and projects; sometimes those functions are taken over simply because the Centre provides the funds.

### *(a) NATIONWIDE COVERAGE :*

#### *(i) The Directorate of Plant Protection, Quarantine and Storage*

2·18 The Directorate of Plant Protection, Quarantine and Storage has established 14 sub-stations under a scheme for a Central Pool of Plant Protection Equipment. Some of the functions of these sub-stations are :—

“to assist the State Governments and others with technical advice and plant protection machines, pesticides and vehicles for the control of pest and disease outbreaks; to conduct re-



gular and frequent surveys for assessing the population of important crop pests and diseases in the areas in which these Stations are located; to act as 'KEY OFFICERS' of the proposed Surveys and Warning Service in the Fourth Five-Year Plan; to do liaison work between the Directorate of Plant Protection, Quarantine and Storage and the collaborators from industry/trade, growers' associations, Community Development Departments, State Agriculture Departments, growers and Regional Agricultural Research Stations; to organise short-duration programmes of practical training in plant protection on a regional basis at all levels in collaboration with the State Governments; to lay out field trials for assessing the performance of plant protection machines and pesticides; to participate in exhibitions and such other publicity programmes to disseminate information about plant protection measures and campaigns adopted or conducted in different parts of India as well as about the advances made in the field of plant protection and to give information about the latest developments in techniques of pest and plant diseases control, to provide assistance and the necessary ground support during aerial operations and to assess and evaluate the results; to collect samples of pesticides from the market with a view to testing their purity, information about the usefulness, price and availability of plant protection materials; to demonstrate the proper use of pesticide and upkeep of machines; to undertake surveys for collecting information on the problems of storage of agricultural commodities and take active part in the Save Food Grain Campaigns in the rural areas..... In sudden emergencies created by widespread infestations of crops by pests and diseases, the resources of the State Governments and Union Territories are to be supplemented by these Stations".

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2.19 One cannot accuse this list of functions with lack of comprehensiveness. Each sub-station has to discharge these wide-ranging responsibilities in an area which is, more or less, equal to a State. However, the staff sanctioned for each sub-station is: one Class II technical officer, four Class III and four Class IV, officials. Obviously, it is impossible for this minuscule team to face up to even an insignificant fraction of its responsibility. If the performance of all these functions is important, the staff sanctioned is obviously ridiculously small. On the other hand, if this is all the staff that could be sanctioned, the responsibilities given to them should have been far less than these and limited to a very much smaller area. By way of contrast, we wish to mention the fact that now-a-days many districts in some states have officers of the rank of Deputy Directors of Agriculture assisted by a number of specialists. It is also unreasonable to expect that this Class II officer will be in a position to maintain effective liaison with State Directorates of Agriculture which have quite a few high-level officers of fair competence. We can well understand administrative

experiments of this kind being undertaken directly by the Centre in small areas in order to evolve a viable long-term policy—though even here we think that the States, who, under the Constitution, are responsible for agriculture, would be the appropriate agencies for such experiments or pilot projects also. The reasonable course appears to be to transfer these centres to State Governments and normal channels of communication utilised for the plant protection work done by them.

(ii) *Field Publicity Organisation*

2.20 Another example is the Field Publicity Organisation of the Ministry of Information and Broadcasting. Officers with experience of administration in the States may recall having complained many times while in charge of districts to their State Directorates of Information and Publicity that many areas in their charge are not being properly covered. If this is the position of the State Directorates with much larger resources and with agencies practically in every district, it is easy to appreciate that a Field Publicity Organisation of the Central Government trying to cover a whole State with a few officers at best reaching down to a division (*i.e.*, a group of districts), can hardly pretend to cover, in any significant sense, the huge areas theoretically under their charge. The functions of the Field Publicity Organisation are:

“publicity for planning and development with particular reference to the need for self-reliance, family planning, mobilisation of public savings, food production, conservation of foreign exchange and increasing indigenous production. The approach of this organisation is supposed to be direct communication from person to person. This is done by organising public meetings, group discussions, seminars, symposia, debates, etc. Different media of publicity including films, song, drama and other traditional cultural media are used.”

At least food production and family planning would require very intensive coverage of the rural areas. A Field Publicity Unit in a state usually consists of one Class II (Field Publicity Officer), two Class III (Projector Operator and L. D. C.), and four Class IV officials. These people are supposed to organise “public meetings, group discussions, seminars, symposia, debates, etc.” We need hardly say that this enormous volume of responsibility and the extremely small size of the personnel unit are an obviously untenable administrative proposition. It would be a tremendous achievement on the part of these units if they cover intensively the headquarters town and a few other towns in their jurisdiction—let alone all the other towns and the vast rural areas. The Administrative Reforms Committee of Rajasthan also had occasion to observe that “there is little or no co-ordination between the Field Publicity Unit of the Government of India and the State Public Relations Department”. Their view was—with which we agree—that the normal agencies of State Governments should be utilised in all these cases and should be suitably strengthened wherever necessary, both with men and material.

(iii) *A Section in Education Ministry*

2.21 The third example we propose to give is that relating to a unit for "the production of suitable literature for neo-literate adults" that functions in the Ministry of Education. Its activities are supposed to be :

- (i) Encouragement to the production of good literature for neo-literates and the new reading public through incentives to authors, publishers etc.
- (ii) Direct production of good literature for neo-literates.
- (iii) Training of authors in the technique of writing books for neo-literates through the organisation of Sahitya Shivirs (Literary Workshops) through the State Governments/Union Territories.
- (iv) Assistance to voluntary organisations in the production of literature for neo-literates.

2.22 The strength of the Unit is: one Section Officer, three Assistants, two Technical Assistants and three L.D.Cs.; its officer-in-charge is an Assistant Educational Adviser who has two other sections also under him.

2.23 To begin with, there are fourteen languages in the country. Second, even if they attempt to produce the basic books in one language and get them translated into others, the competence of this unit, even for this limited purpose, seems highly doubtful. In any case, these matters are within the field of direct responsibility of State Governments. We must also take into account the possibility that other State Governments may not accord the same level of priority to social education; they would like to concentrate—and quite rightly—on things which they consider are really important; these may, of course, include social education in some States.

2.24 In matters of the kind illustrated by these examples, there is an implicit undefined and vague concept of "nation-wide" coverage. We wish to point out that it is just not possible for any Central Government, in a country of the size of India, to indulge in this fantastic exercise of covering the whole nation from Delhi, particularly when the functions involved are such that, unless there is an intimate connection with the people concerned, there is hardly anything achieved. This approach needs to be totally abandoned. There is a critical size below which staff becomes completely ineffective. To imagine that having some kind of an organisation at a few places in the country amounts to coverage of the country is obviously an instance of perceptual failure, and, as an administrative proposition, is entirely invalid. As a general rule, the closest possible scrutiny should be applied to proposals emanating from the ministries and departments of Central Government seeking to cover the whole nation in some field of executive responsibility. We are also further of the view that, where ministries and departments

directly undertake such nation-wide executive responsibilities, the whole arrangement is good neither for the ministries concerned nor for the responsibilities they are supposed to discharge.

(b) UNNECESSARY CENTRALISATION

2.25 Another factor responsible for some part of this growth is unnecessary centralisation. Owing to the fact that a considerable part of the resources of the States comes to them from the Centre in the form of loans and grants under the five-year plans, it has been possible to centralise decision-making even in respect of matters of detail. It is unnecessary to illustrate this process by examples because it is all-pervasive. The machinery of economic planning needs to be suitably designed in the light of such decisions as may be taken regarding the extent to which, in various fields, States should be permitted to function far more freely than they do at present. We propose to give just one example of another kind of centralisation. In the Education Ministry, for example, there is a section which deals with some matters relating to Delhi Administration (a Union Territory) whereas, in the case of other Union Territories, such functions are apparently not being performed by the Education Ministry. These centralised powers are :

- (a) Examination and recommendation of proposals to the Ministry of Works, Housing regarding allotment of land to recognised schools for construction of schools in Delhi/New Delhi.
- (b) Examination and sanction of time barred claims of arrears of pay, house rent etc. in respect of Government Schools staff under the Delhi Administration.
- (c) Investigation and examination of notices and summonses served on the Ministry in respect of claims against Education Department of the Delhi Administration.
- (d) To assist and help parents to secure admission of their wards to the schools in Delhi.
- (e) Educational Affairs of the Delhi Municipal Corporation.
- (f) Construction of school buildings in Delhi.

2.26 We are not able to appreciate why there should be this special treatment for Delhi. The fact that the Central Government is located in the Union Territory of Delhi is obviously no argument for such centralisation.

(c) DUPLICATION:

*Farm Advisory Unit of the Extension Directorate*

2.27 An instance of obvious duplication, which is also responsible for some amount of growth, is the Farm Advisory Unit of the Extension Directorate of the Ministry of Food and Agriculture. The functions of the Farm Advisory Unit are as follows :

- (i) To provide a link between the field workers and the various Research Institutions.

- (ii) To bring the results of research to the Extension Workers by advising the information service on the kind of information material to be produced for the different classes of people to be informed and instructed.
- (iii) To find out the problems facing the cultivators and bringing problems requiring further research to the notice of the research workers of the appropriate institutes in the Ministry and in the States.
- (iv) To participate actively in important field demonstration programmes arranged for the farmers through Central or State effort.
- (v) To examine the programmes and working of the extension schemes in the States and to advise the Government on the possible solutions of the difficulties experienced in the implementation of the schemes.
- (vi) Implementation of the recommendations of the Agricultural Administration Committee.

2.28 As is well known, there is, first, the Indian Council of Agricultural Research. Next, there are State Directorates of Agriculture with well-developed Extension organisations in the field. It is difficult to see why the Indian Council of Agricultural Research cannot communicate directly with State Departments and extension organisations on the one hand, and with the research institutions concerned, on the other. In some cases, it may even be possible—and probably desirable—for the State Directorates themselves to maintain these contacts directly with the research institutions without the intervention of even the I.C.A.R. But what is even more important and perplexing is that the Indian Agricultural Research Institute, functioning under the I.C.A.R., has itself an Extension Directorate, which ought to perform functions of this kind. (Further, the Department of Community Development has another Extension Directorate). We are convinced that the Farm Advisory Unit of the Extension Directorate is a clear example of unnecessary duplication (and so probably is at least one of the other two known Extension Directorates) whose functions should, in fact, be performed by the Indian Council of Agricultural Research or the Indian Agricultural Research Institute.

### *Measures for Preventing Proliferation*

2.29 These examples illustrate tendencies which, we think, should be carefully examined and controlled. It is extremely difficult to dissolve a unit once it comes into existence; vested interests are usually capable of invoking the support of powerful people. In any case, it is their birth that should be prevented in the interests of economy and enlightened administration. The Ministry of Finance, of course, scrutinises all these proposals, but apparently this scrutiny has not always been effective. We also have a Staff Inspection Unit in the Ministry of

Finance (Department of Expenditure) and the O & M Organisation in the Department of Administrative Reforms of the Ministry of Home Affairs. It appears to us that agencies like these are not in a position to question the existence itself of an organisation but, rather, assume its existence as given and examine whether its manning is reasonable. Part of the explanation for this growth seems to lie in the fact that, once they are accepted as parts of a particular plan, the Ministry of Finance and other organisations concern themselves only with the further details relating thereto rather than with the necessity or usefulness of the schemes themselves. In such cases, it seems to us that the examination of these schemes by the Planning Commission before acceptance for inclusion in the plan has not been as thorough as it should have been. We recommend that, before a new scheme or the creation of a new agency or, for that matter, even the expansion or extension of an existing agency is agreed to by the Government of India, the following considerations should be borne in mind and rigidly applied:

- (i) If the proposal relates to field functions government should, before agreeing to the proposal, assure themselves that the alternative of entrusting the functions of the concerned departments or agencies in State Governments and Union Territories is either undesirable or impracticable. On this point, the opinion expressed by the administrative ministry or department sponsoring the proposal should not be considered final. It may quite often be advisable to obtain the views of the State Governments on such proposals.
- (ii) Irrespective of whether a new proposal relates to field functions or not, there should be, before such a proposal is agreed to, a clear determination that neither in any other department or ministry of the Government of India nor in any organisation wholly or substantially financed by the Government of India are substantially similar functions currently being performed. The argument that, where such agencies exist, the lack of control over such institutions of the administrative ministry sponsoring the proposal may hinder effective implementation of the new scheme, should, in our view, not be given much weight.
- (iii) The argument that the special interests of a particular ministry or department are not being, or cannot, be effectively served by an already existing but much bigger organisation dealing with the total problem, probably under a different department or ministry, should seldom be considered adequate justification for the creation of a separate agency.
- (iv) The existence of, and the emphasis on, some differences in scope or coverage should also not be taken as a ground for agreeing to a new scheme or a new agency.
- (v) Where the functions proposed to be performed by a new agency or in existing agency after being duly expanded, result from the centralisation of the appropriate powers in the department or ministry concerned, the alternative should invariably

be explored of delegating those powers to lower administrative or territorial levels. It is only after a clear determination at a high enough level that such a delegation is undesirable or impracticable has been made that the proposal should be agreed to. Once again, the opinion expressed by the administrative department or ministry concerned on this subject should not be treated as final; consultation with other appropriate bodies, should, as a matter of routine, take place before the matter is finally decided.

- (vi) "Nuclear" starts should, as a matter of rule, not be agreed to, unless the long-term financial and administrative implications are worked out as clearly as possible and examined. This examination should emphasise the more important features of the scheme, its objectives and real advantages etc., rather than mere accuracy in unmaterring details. (This does not, however, rule out pilot projects in limited areas carried out for purposes of study and experimentation). Our attention has been drawn to a 'Mobile Food and Nutrition Service' with nine mobile vans with ambitious objective. In the context of well developed net-work of extension services, such a venture directed from the Centre seems to be out of place.

2.30 We feel that these principles are exhaustive; we have, no doubt, that, in due course, they would need to be modified, or added to, in some detail or the other. What we wish to reiterate is that, before public resources are committed to the expansion of the governmental apparatus, it should be ensured that the functions proposed to be taken on are in fact necessary functions and that there is no blurring of field responsibilities with policy making responsibilities. It seems to us to be a matter of greatest importance that State administrations, which are the field limbs of the Central Government, and district administration which are the field limbs of State administrations, should, in future, receive far greater attention than in the past and we are convinced that it is only if these administrations are so strengthened that they will have earned a right to expect imaginative and comprehensive implementation of the national plans. As we have not undertaken a study of the problem of over-lapping or unnecessary centralisation at the level of State Governments, we are not in a position to say how much of the work at present supposed to be done at the level of the State Secretariat can be properly transferred to lower levels, i.e., heads of departments and district administrations. We have no doubt that such an examination is necessary and recommend accordingly that State Governments may kindly examine this problem in detail.

### *Staff Inspection Unit*

2.31 However, the very difficult problem of streamlining the existing administrative apparatus has yet to be faced. Attempts, of course, have been made to examine the position from time to time and to introduce some economies. A note on the work done by the Staff

Inspection Unit of the Ministry of Finance, the O & M cells in different Ministries/ Departments and the Department of Administrative Reforms itself forms an appendix to this chapter [Appendix 2(5).] To begin with, the area covered by the Staff Inspection Unit and the Administrative Reforms Department annually is much too small for them to be in a position to complete the examination and evaluation of all the offices of the Central Government in a reasonable period of time. Reportedly, there are some 500 units—ministries, departments and important offices—under the Central Government, but the largest number inspected in a single year by the Staff Inspection Unit was 35; what the Administrative Reforms Department managed to do was even less. There is no doubt that the expertise required for the kinds of job done by these organisations takes a fair amount of time to build up; consequently, it is quite appropriate that they should concern themselves with the evolution of work standards and practical methods of job evaluation for aspects of governmental work common to most organisations. In particular, Class III and Class IV personnel account for as much as 98% of the personnel under the Central Government and as the work done at these levels is repetitive and of a routine character, even small economies here are likely to add up to considerable amounts. We understand that some organisations do not submit themselves to scrutiny by the Staff Inspection Unit; we are not aware of the grounds on which a protected status of this kind is justified. But we are clear that the decision to grant such a protected status must be taken at a high enough level after full consideration of all factors.

#### *O. and M.*

2.32 The O & M organisations in the ministries are by now very familiar and “well-established” units, having come into existence as far back as 1954. Their role and performance has also been the subject of scrutiny by quite a few committees including the Estimates Committees of the Second and the Third Lok Sabha. The Estimates Committee (Third Lok Sabha) in their Ninety-third Report on the Public Service have observed and reiterated the earlier observation of the Estimates Committee (Second Lok Sabha) that the organisation has not fulfilled even a part of expectations with which it was started. They went on record to say that “while there has been no dearth of investigation into the problem by varied agencies as a result of which many useful suggestions have been put forward from time to time, what has been lacking is the capacity to profit by this suggestion and take the requisite follow up action”. This brings us to the crux of the problem and to the question of the usefulness of the O&M Units in their present form. The pre-requisites of success for an O&M Unit are:

- (i) the staff should have high degree of technical competence in modern techniques of work measurement, analysis of organisation, methods and procedures, etc.,
- (ii) its head should be a sufficiently senior officer who himself should be “competent” in this area; and



- (iii) the unit should have unreserved confidence and backing of the chief executive of the organisation.

2.33 An examination of the existing O&M Units suggests that the above conditions are only partially fulfilled, if at all. The structure of these units is the same as that of a section in the secretariat, the pattern of staffing is also the normal secretariat type, the staff lacks, in most cases, proper training in modern techniques, the placement of the unit is very low in the hierarchy and finally, the chief executives themselves, are, in many cases, sceptical about the utility of the organisations. Above all, these units are not able to question the very necessity of an organisation or a part thereof. In such a situation, the limitations of junior officers in the ministries, who are not always even professionally qualified, in matters like expansion, in which many an individual at high levels may be vitally interested, and changing procedures which generally provide a safe ground for working without specific responsibility to anyone, high and low, can be well imagined.

2.34 The O&M Organisation has, thus become, more or less, another cog in the wheel and it seems to us that it is not really serving any useful purpose. Only routine inspections are carried out, some case studies are made and returns regularly sent. But in spite of its existence for quite some years now there has been no significant contribution that can be clearly identified as emerging from the O&M Organisation. We, therefore, recommend that the O&M Organisation, in its present form, should be abolished. The personnel in the O&M Organisation, in our view, should be transferred for some time to the Staff Inspection Unit, so that they may, in a much shorter time, complete the task of evolving work standards for repetitive jobs and of examining the adequacy of the present staff in each organisation for functions which it is at present performing. What should happen to the O&M personnel thereafter is a matter that could be decided by Government at the appropriate time.

#### *Pruning of the Existing Machinery*

2.35 The major task of examining whether the administrative machinery of Government of India should continue in its present over-grown form has to be tackled urgently. We are fully aware that its pruning is going to be the most difficult job, both politically and administratively, yet we are convinced that this is the most important task in the field of personnel administration which must be attended to immediately. At the political level, trade union pressures and the possibility of discontentment in the services may begin to cast their shadow even at the stage of policy formulation in this respect. Therefore, it will require determination of the highest order at the political level to get even this examination initiated. We feel that in view of the growing needs of government in so many essential sectors the problem as it emerges will be more one of redeployment than one of retrenchment. There may, however, be some marginal cases of

retrenchment as well, but they will be the exceptions rather than the rule. The whole scheme cannot and should not be placed in jeopardy simply because redeployment is difficult and some persons may have to lose their jobs. In any case, these difficulties are not germane to the question whether certain organisations or persons are redundant or surplus. We would prefer such persons being carried by the State exchequer as a matter of deliberate policy of not retrenching and thereby not causing human misery to its continuing to bear the crippling burden of these organisations notwithstanding their superfluity. Organisations, units or individuals whose continuance in government cannot be fully justified are prone to arrogate to themselves a status of indispensability and may even make a concerted effort to expand and proliferate. A measure of rationalisation will provoke strong resistance from vested interests at all levels, specially at the higher levels. This may mean shrinkage of some departments, reversion of a large number of officials to their substantive positions both at the Centre or in the States. These pressures have to be clearly identified and those undertaking this job have to be ruthless in disregarding any or all such irrelevant considerations.

2.36 Redeployment should be attempted geographically, organisationally and even functionally. Those who resist such reasonable deployment, according to us, deserve no sympathy as, in our present socio-economic situation, the State cannot afford to guarantee the privileges which one may have come to acquire because of a number of factors leading to expansion, differential growth and proliferation. Though any such action has to be tempered by human considerations, it has to be drastic if there is any resistance; every individual has to recognise the seriousness of the problem and must abide by the decision which is taken after full and rational consideration. We would, however, suggest that plans for redeployment should be worked out with the greatest care so as not to give any scope for favouritism and one can say with a clear conscience that whatever is being done is according to well-considered principles and in the national interest.

2.37 We, therefore, recommend that government, before taking action as suggested by us in the following paragraphs, must announce its firm determination to :

- (i) find out the degree of redundancy in organisations and personnel; and
- (ii) prune the machinery where redundancy is proved or where results do not justify the expenditure.

2.38 We may mention here that some well-known authorities in various fields have told us and the Administrative Reforms Commission itself that some of the biggest organisations in the Government of India today are redundant and could be wound up without any perceptible difference to the end results in those fields. A well-known educationist, with a full sense of responsibility, has put forward his

view before the Administrative Reforms Commission that the Education Ministry at the Centre can be wound up, the functions can be performed by the State Education Departments more efficiently. We do not know how far this view is correct but we are convinced that the proposal put forward has not been made lightly and the witness really believed in what he said. Such radical proposals are bound to be resisted by the deeply entrenched and vested interests at all levels. Unless there is a determination to disregard these vested interests and deep conviction that every part of the administrative machinery of government has to justify its existence purely on a functional basis, irrespective of any other considerations, we do not think that any worthwhile results will be forthcoming.

2.39 This task of examining the present administrative organisation of the Government of India should be divided into two parts, each being the responsibility of a different body. The first part will be an examination of each functional unit or group of allied activities in the Central Government. Each unit should be called upon to indicate what its activity is intended to achieve, to what extent it is being achieved and whether the same work could be decentralised and handed over to the States or projects etc. The final recommendation about each functional unit should emanate from a specially constituted high power commission which should consist of (i) two non-officials highly respected in public life who have considerable administrative experience such as a Chief Minister of a State or a Cabinet Minister of the Central Government; and (ii) a Civil Servant with wide experience both in the Central and State Government such as a Chief Secretary. The Commission may also coopt one or more renowned experts in any field on an *ad hoc* basis while considering a particular area. They should also associate heads of departments in their deliberations. The Commission should have powers to constitute study teams. These teams should include representatives of the State Government also, besides experts in that speciality so that they are in a position to advise which activities of the Central Ministry in the eyes of the State are either redundant or not justified on consideration of the priorities before the country. This work should not take more than a year to complete.

2.40 Once this initial exercise has been completed the problem may not recur in the present dimensions if the higher authorities keep in view the principles enunciated by us in para 2.29 and adhere to them strictly. However, the tendencies towards proliferation are so strong that it would be necessary to have a constant vigil against it. We consider that the Administrative Reforms Department should look into this aspect of personnel problems on a continuous basis along with their other normal functions. Any instances of duplication, overcentralisation, etc., should be placed before the Cabinet with concrete suggestions for final decision. We also recommend that with an interval of ten years a high power commission on the line of the first commission suggested by us should be set up for a through examination again of the entire Government machinery with a view to locating points of duplication, overcentralisation etc.

2.41 The second part of examining the administrative organisation should comprise a detailed examination of the staff allotted to the units which are certified as necessary by the high-power Commission; this work should be carried out by a body like the Staff Inspection Unit attached to the Central Personnel Agency. We suggest that the first examination of each unit should be completed by this body within a period of three years.

### *Administrative Reforms Department*

2.42 Lastly, we come to the question whether the S. I. U. and the Administrative Reforms Department should continue as two separate entities under two different ministries. These two units, no doubt, have qualitatively different tasks to perform and their objectives are not identical. A similar question regarding combining the two forerunners of these organisations, namely, the O&M organisation and the S. I. U. was examined by the Government of India after the Estimates Committee of the Second Lok Sabha recommended their amalgamation. The Government observed that the two organisations have complementary objectives but each performed work of a distinctive character. While agreeing to the necessity of the two units working in close liaison, they concluded that the location of the two units—SRU in the Ministry of Finance and O&M in the Cabinet Sectt.—has been determined solely from the point of view of facilitating the work. We have examined the new situation and have also considered the fact that the Administrative Reforms Department is now charged with much wider functions than the erstwhile O&M organisation. We have come to the conclusion that the complementary objectives of these organisations will be better served if they are performed by one body operating from a point responsible for high level personnel policy. We, therefore, recommend that the Administrative Reforms Department and the Staff Inspection Unit should be amalgamated.

2.43 It has not been possible for us to examine in detail the arrangements that exist in State Governments for performing functions similar to those performed at the Centre by the Staff Inspection Unit in the Ministry of Finance, the O&M cells in different Ministries/Department and the Department of Administrative Reforms itself. It was suggested to the States in 1964 that they should set up O&M organisations. It was requested that they may examine questions of efficiency and new measures of reform with particular emphasis on plan implementation and administration. A number of State Governments have also appointed committees to go into the question of administrative reforms. In the absence of all the relevant information, we do not think it would be right for us to suggest any detailed pattern for the States; we, however, think that it is very important for the State Governments to set up a unified organisation for administrative reforms and for the improvement of administrative efficiency; the functions to be performed by these organisations should be broadly similar to those

being performed by the organisations in the Central Government. We have no doubt that the Department of Administrative Reforms at the Centre should, and will, extend all the support required and give all the necessary advice for setting up these organisations in the States; in fact, it may even be advisable on occasion for a team of the Administrative Reforms Department to study the problems in a State and recommend the kind of organisation that should be set up. The main purpose, of course, is to ensure that the mistakes that were committed at the Centre are not repeated in the States.



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## CHAPTER III

### PERSONNEL STRUCTURE AND STAFFING

#### I. PERSONNEL STRUCTURES AND POSITION CLASSIFICATION

##### *Administrative Landscape*

3.1 India is a federal Union. Consequently, there are as many practically independent administrations as there are States, that is, constituent units of the federation in addition to that of the Central Government. Common administrative arrangements (like the All India Services, for example) have, therefore, to be, quite definitely in fact, whether or not in law, the result of agreement between the States and Centre. It is only in the case of two Services, *i.e.*, the Indian Administrative Service and the Indian Police Service, that a constitutional genesis exists *ab initio*. The judiciary is a separate arm of public administration with which we are not concerned in the Administrative Reforms Commission. However, there is one other autonomous branch of administration; this is the whole Audit organisation functioning under the Comptroller and Auditor General of India. The Union Territories have not been mentioned by us as separate entities requiring separate attention because the Central Government is directly responsible for their administration and the recommendations that we make in respect of personnel in general should govern the Central Government's policies in relation to Union Territories.

3.2 Mere constitutional forms alone do not determine the form of the actual administrative entities that we choose to create at various levels of the hierarchy. In government proper, both at the Centre and in the States, there are headquarters organisations and field units. There is an organic link between the two but their personnel structures and problems are significantly different. Besides these units, we have already referred to the various kinds of statutorily (or functionally) autonomous authorities that have come into existence in the last two decades which will concern us in this study.

##### *(i) Headquarters Organisations*

3.3 The secretariat and the functional departments are two other well-known entities which more or less retain the shape that they had in pre-independence days. The secretariat is the entity nearest to the political executive and shares with the political executive responsibility for all that happens in Government. There is, therefore, a real need for ensuring that the manning of the secretariat—the “brains trust” of Government—is of the highest standards. Similarly, the functional department is a vital link between the secretariat and the field; actually, in some cases, the head of the functional department is probably more

closely associated in the public mind with the department than the minister or the secretary concerned. At these two levels, the shape of the entity as such is more or less given and the problems that we have to tackle relate to personnel and procedure.

## (ii) *Field Units*

3.4 A district in India has traditionally been the level at which the "field" begins. Both in the pre-independence days as the local trustee of imperialism and in the post-independence days as the leader of a development team, the district officer has always had a vital role to play. The pattern of administration at the district level was theoretically conceived of as one in which power was vested in one single person. There was, of course, downward delegation, but the initial vesting of all such power was in the district officer. This concentration of power was progressively more and more liberalised and has undergone a revolutionary change in the recent past. Democratic decentralisation became a national objective and, at the district and lower levels, elected bodies have been vested with practically all the powers that the district officer and, in some cases, higher authorities, had in matters relating to development. At least so far, law and order has been left severely alone and so has tax administration, by and large. It has not been possible for us to take it for granted that in due course these institutions will also deal with law and order, taxes etc. To some extent, therefore, there is an administrative dichotomy at the level of a district—police functions vesting in the bureaucracy and development functions in elected bodies. For the present, we assume that this dichotomy will continue for the next 15-20 years. Personnel needs of the future, therefore, will have to take into account the emergence of these new entities at the district and lower levels—in other words, "panchayati raj". In addition, of course, there are other local authorities like municipalities, corporations, etc., whose personnel problems also, in our view, need urgent attention.

## (iii) *'Quasi-government' Sector*

3.5 The 'quasi-government' sector comprises the industrial and commercial enterprises of government, educational, scientific or research institutions and welfare organisations. All these bodies have to operate in the context of a national policy in relation to many matters—such as finance, prices, raw materials, power and personnel. Whatever the administrative forms devised (whether autonomous or departmental), the government is ultimately responsible for the manner in which these bodies function and it seems to us that this responsibility is conclusive enough reason for evolving a personnel policy for these bodies such as to ensure the right quality among the personnel concerned, on the one hand, and the fullest possible autonomy for these institutions, on the other.

## *Staffing Patterns*

3.6 Staffing patterns are not a mirror reflection of the machinery of government. Every administrative entity need not necessarily have

a self-contained personnel organisation insulated from external influences. For example, a secretariat or the district administration cannot each be a personnel entity unto itself. This is so for various reasons. First of all, as the various parts of government machinery are, and should be, an integrated whole, so also the personnel structure should have an integrated character in relation to the entire complex. For example, the secretariat must have people who have knowledge of field problems and conversely people in the field must have an understanding, if not actual experience, of the way in which policy makers function at the higher levels. Within the federal structure of our country, there is need for interchange between the Centre and the States so that each unit of administration understands the problems of the other.

3.7 It would be fair to say that the need, and also the feasibility of these currents and cross-currents in personnel structures diminish as we move down the administrative hierarchy. Firstly, at those levels, the numbers involved are very large and, secondly, their functions are largely routine. Purely on grounds of manageability and operational facility, personnel at the lower levels have to be sub-divided into smaller units, each unit coinciding with a ministry or some other organisation or into geographically centered sub-units within the same administrative organisation.

#### *Functional Division of Departments*

3.8 The most useful classification of personnel for our purposes would be on a functional basis. Government departments can be divided into three broad categories: the "technical department" (like the public works department), the "specialist department" (like the income-tax department) and the "generalist department" (like district administration and the home department). A Technical Department is entrusted with functions the performance of which requires knowledge, and experience in the application of a particular clearly defined field of knowledge. Persons recruited to such departments must usually have institutionally acquired technical qualifications of a particular kind. Thus, an engineer must have a degree in engineering; a doctor, in medicine or surgery, etc. Accordingly, services meant to man such departments are unfunctional and their members spend practically their whole careers in their own departments. Examples of these services are the Central Engineering Service, the Central Health Service, the Indian Meteorological Service, the Overseas Communication Service, etc.

3.9 Another feature of these services is that their members usually enter administration at the higher of the middle levels (Class I and Class II) and can rise to the highest level in their departments. At the Centre, it is seldom that officers in such departments go to man policy-making or near-policy-making posts in the secretariat. We have, however, observed that, in certain State administrations, technical heads of departments have either a conjoint secretariat status or are themselves secretariat officers at the higher levels.



### *Specialist Departments*

3.10 The specialist departments are those in which the expertise required for the performance of departmental functions has to be acquired in the department itself. Some of these departments are concerned with taxes: Excise, Income-tax, Customs, Sales Tax, etc. Some others perform some professional functions like audit and accounts, information and broadcasting etc. There are other departments also, like Posts and Telegraphs and Railways, where functions relating to accounts and general administration are performed by people who acquire their proficiency after entering the department. To man such departments again, there are unifunctional services; examples are the Indian Audit and Accounts Service, the Indian Railway Accounts Service, the Indian Postal Service, the Central Information Service, etc. All these Services are Class I Services intended to man, again, the higher of the middle levels and higher levels. Here again, the lower middle levels and the lower levels are apparently not always organised into regular services. Personnel belonging to these services enter the higher levels in the secretariat in larger numbers than those belonging to technical departments.

### *Other Departments and Secretariat*

3.11 In addition, there are departments like general administration, finance, home, etc., and also administrations at smaller territorial levels like that of the division or of the district where, particularly in an age of rapid and planned development, co-ordination becomes a vital administrative necessity. Finally, there is the secretariat. Even though the secretariat is divided into a number of ministries and departments, it acts in the name of government and, as such, is really a servicing body to the political executive, and the major function of the secretariat is policy making (including thereunder some important matters like the location of a major industrial plant or the appointment of very high officials and dignitaries, which cannot be strictly classed as policy making functions). The policy so far has been to man most top level posts in the administrative departments in government with persons from the Indian Administrative Service; members of this Service begin their official careers with work at the district level, and, after acquiring a fair amount of experience, move on to the higher decision-making levels. The Indian Administrative Service also generally provides personnel for the higher of the middle (Deputy Secretary) and the higher (Joint Secretary and above) levels in secretariats.

3.12 A caution is necessary at this stage that the three-way classification of departments cannot be claimed to cover each unit unambiguously and unalterably. There are some units which clearly answer one description, while some others are borderline cases. The nature of a unit may change with the level of specialisation and the intensity of activity at a given time. Agriculture was once considered an administrative department when the only problem it handled related to the sup-

ply of inputs. With the increase of specialisation and multiplication of functions, it is now a technical department. With the accretion of more functions, some present-day administrative departments will become "specialist" and some "specialist" departments will become "technical".

### *Lower Levels*

3.13 At lower levels (Class II and Class III) at the Centre, there are various Secretariat Services for manning the main secretariat positions. These services have been split up into a number of sub-cadres, each corresponding to a ministry, and are now independent units. In the State Governments, the position is not uniform. In some, there are organised services for the entire secretariat while in others, the personnel units coincide with ministries or departments. Similarly, there is no uniform pattern for lower levels in other organisations. The skill requirements vary and their availability determines the pattern of personnel structures at those levels. In Class IV, there are generally no service type structures.

### *Panchayati Raj Bodies*

3.13a The Panchayati Raj institutions, namely, Zilla Parishads and Panchayat Samitis do not have a uniform pattern of staffing throughout the country. In most cases, institutions have their own Class III and Class IV personnel which are entirely under their control. However, the Class II and Class I officers, both technical and non-technical, belong to the appropriate State cadres and are on deputation to these bodies. In many cases, all such positions are included in appropriate service cadres, for example, the posts of BDOs in Rajasthan are in the Rajasthan Civil Service cadre and those of Chief Executive Officers of Zila Parishads in Maharashtra in the Maharashtra IAS cadre.

### *Quasi-government Organisations*

3.14 With regard to the manning of quasi-governmental organisations, there are no organised services as such with the solitary exception of the Industrial Management Pool. Commercial and industrial public undertakings have been generally recruiting the personnel they need in such manner as they choose. This is subject to one exception, namely, that government themselves have been making the appointments to some top posts as specified in the relevant articles of association or statutes. With regard to the non-profit organisations which generally have the form of a registered body, the approach has been that they should be autonomous in all personnel matters including recruitment promotion, etc. It appears that these bodies tend to follow the governmental model in personnel matters but more as a matter of convenience and not because of any compulsion.

3.15 To sum up, the personnel entry into various classes and levels is divided into various streams which feed primarily the various functional departments. Each of these streams, though mainly concerned, also performs a supporting function in other departments, unless

these latter make their own isolated and independent arrangements. This holds good for all the three upper classes in services, namely, Class I, Class II and Class III. For example, Accountants in Class III and Accounts Officers in Class II, in a number of organisations may be drawn from the Audit Department or Statisticians and Junior Statistical Officers in these two Classes, respectively, from the Central Statistical Organisation. Common personnel arrangements become more feasible and also increasingly more necessary as we move up the hierarchical ladder, being the maximum in Class I and within Class I itself at the higher levels. Although, as a rule, one service is confined to one department or ministry, for example, the Indian Postal Service or the Central Engineering Service, there are some services which in fact do not have single departments as their main objectives such as the Indian Economic Service and the Indian Statistical Service. These Services cut across departmental boundaries and serve the entire government according to need. Unifunctional All India Services like the Indian Police Service or the Indian Forests Service are conceptually designed to work within the frame of a single department, but they cut across Union and State boundaries serving both the Central Government and State Governments in the appropriate departments. Lastly, the Indian Administrative Service cuts across both the departmental boundaries as well as the Union and the State boundaries and is designed to man positions of a general administrative nature at different levels in all tiers of government.

### *Isolated Posts and Quasi Service Structures*

3·16 There still remain a large number of posts which do not form part of any service. If in an organisation the number of such posts is appreciable and there is more than one level requiring the same basic qualifications but varying degrees of experience corresponding to the level of responsibility, a personnel structure comprising such positions tends to crystallise in the form of a recognised hierarchical group having some elements of a regularly constituted service which can be termed as a "quasi-service" structure. However, even besides these "quasi-service" structures, there are numerous completely isolated posts scattered throughout government in every tier and almost at all levels. The problems of these positions receive *ad hoc* treatment.

3·17 In Class III and, to some extent, in Class II, "quasi service structures are more a rule than the exception. Most of the identifiable groups of posts in Class III form self-contained personnel units circumscribed within a department or even within a lower formation of a department. There may be certain identifiable groups based on skill requirements which may cover larger areas, even an entire State. For example, Overseers in the Public Works Department have State cadres, but the clerical staff of the same department may form self-contained personnel units within a divisional or a district charge. Accountants in the PWD may form a separate state-wide cadre.

### *Level of Entry*

3·18 Although initial entry into various government organisations takes place at the lowest level of each of the four classes, these classes are not exclusive of one another. Usually, a certain proportion of the posts at the first entry level in Class I, and sometimes also at senior levels in that class, is reserved for promotion from Class II. Similarly, some proportion—usually larger than in Class I and in many cases, 100 per cent—is, reserved for persons coming on promotion from Class III. The movement from Class IV to Class III is insignificant in the form of promotions.

3·19 The higher levels in each class are usually not open to entry from outside—though occasionally, where a very refined kind of expertise is required, such entry may be permitted. However, posts in cadres largely engaged in teaching and research are usually thrown open to outside entry at all formally distinguishable levels either in terms of class or pay. There is also limited lateral entry in engineering and technical cadres at higher levels. Classes and grades help to pin-point the levels at which the possibility and extent of lateral entry should be considered.

### *The Concept of Service*

3·20 One of the most important characteristics of staffing personnel structures in India is that as many groups of positions as possible are organised in services and, where it is not possible to do so, in “quasi-services” having many essential features of a service. It has been alleged that the service concept in government is at the root of a number of our problems and staffing should be position-oriented. The model which has invariably been mentioned to us is that obtaining in the United States which bases itself on the position classification concept for manning its entire public personnel with few exceptions. We wish to examine this controversy, which is very basic, in the following paragraphs.

3·21 A service comprises persons who have been adjudged suitable and recruited to hold a group of positions requiring similar skills—technical, professional and/or administrative. Within a service, there may be more than one grade arranged vertically according to the level of responsibility. Thus, the constitution of a service involves :

- (i) determining duties and responsibilities of various positions;
- (ii) translating these in terms of skill requirements;
- (iii) grouping of positions which broadly require similar skills; and
- (iv) gradation of positions in terms of responsibilities.

The concept so developed further presupposes that within a service positions at the same level are analogous and any member of service qualified to hold that grade or position can be posted. Thus while constituting a service, positions are not only examined with reference to skill requirements and graded but it is also determined whether those positions are also interchangeable.

3·22 For operational reasons, positions within an administrative unit only may be grouped to constitute a service and, therefore, within the same speciality, there may be more than one service in government. Again, for the same reason, in different tiers of government within the same broad speciality, there may be different services.

### *Position Classification*

3·23 The Classification Act of 1949 in the United States made the following policy declarations:

“It is the purpose of this Act to provide a plan for classification of positions and for rates of basic compensation whereby —

- (1) in determining the rate of basic compensation which an officer or employee shall receive (A) the principle of equal pay for substantially equal work shall be followed, and (B) variations in rates of basic compensation paid to different officers and employees shall be in proportion to substantial differences in the difficulty, responsibility, and qualification requirements of the work performed and to the contributions of officers and employees to efficiency and economy in the service ; and
- (2) individual positions shall, in accordance with their duties, responsibilities, and qualification requirements, be so grouped and identified by classes and grades, as defined in section 301, and the various classes shall be so described in published standards, as provided for in title IV, that the resulting position classification system can be used in all phases of personnel administration.”

3·24 Thus, in essence, position classification attempts to establish a triangular relationship between (i) duties and responsibilities; (ii) working conditions; and (iii) qualification requirements. The three co-ordinates of any given position will uniquely determine its value; all positions falling within a specified zone round pre-determined points in a scale comprising the full spectrum of positions from the lowest to the highest constitute a class. All positions in each class qualify for the same rate of remuneration.

### *Service Concept and Positions Classification*

3·25 A comparison of the two concepts shows that the basic principles underlying “position classification” are the same as those underlying the constitution of a service. As a matter of fact, these basic principles are universal in character and would largely form the basis of any organisational structure in determining its hierarchy.

3·26 There are, however, some important differences of detail, mostly in the application of these basic principles to actual situations in the two countries which may be noted.

3.27 The service concept not only classifies positions into different classes as in the position classification but further attempts to group positions within a class which can be treated as a homogeneous group and personnel for which can constitute a cadre of officers each of whom can occupy any one of those positions. This concept further tries to locate similar groups at different levels which may form a bigger group within which not only horizontal movement within the same class is possible but vertical movement can also be envisaged. If the spectrum of positions from top to bottom in a given skill are arranged vertically, the service concept further locates points of discontinuity and groups into a service only those positions in different levels where no discontinuities in terms of competence, skill requirements, etc. exist. In a service so constituted the lowest level is at a point of discontinuity such that personnel streams can enter the organisation at that level. This can be illustrated by any hierarchy in a government organisation. For example, in the Public Works Department, a typical hierarchy would be as follows :

- (i) Chief Engineer,
- (ii) Superintendent Engineer,
- (iii) Executive Engineer,
- (iv) Assistant Executive Engineer,
- (v) Assistant Engineers,
- (vi) Section Officers,
- (vii) Overseers,
- (viii) Sub-Overseers,
- (ix) Time-keeper,
- (x) unskilled workers.

In terms of skill requirements, there are discontinuities at levels (ix), (vii) and (v) and, corresponding to each group of levels without a discontinuity, there will be four services in this department and entry in each group would be at the lowest level. Thus, so far as the classification of positions as such is concerned, the service concept is more refined than the position classification concept.

3.28 Formation of services, in addition, takes into account administrative convenience and operational facility.

3.29 The position classification, however, excels the service concept in its refinement of measurement techniques. It provides public administration a precision instrument for functions which hitherto were being performed on the basis of rough and, sometimes, subjective, judgment or, at the best, with the help of imperfect instruments. In our system, although the question of relativity is tackled, as it must be in any system howsoever imperfect, no objective criteria have been evolved both to determine initially, and to review subsequently, the relative

vertical distance between two levels in the same hierarchy or to determine the relativity of positions in two different occupational groups in the same or in different organisations. We will have occasion to examine this aspect in greater detail while considering the question of pay structures. Suffice it to say here that the most important point about the position classification concept is that it attempts to replace subjective assessment by objective measurement and to that extent becomes an effective instrument of personnel management. According to us, this much and only this much, is the basic significance of position classification. Anything beyond this is not a part of the scientific concept of position classification.

### *Some Fallacies*

3.30 We will now examine some of the conclusions which are drawn from a somewhat superficial examination of the two systems. It is said that the basis of personnel structure under the position classification system is the position while in the service concept it is the individual who has a rank personal to himself. By itself this statement is correct but it does not explicitly bring out the other characteristics of a service which we have analysed above and, therefore, gives a mistaken view of the service based personnel system. The issue is further confused by illustrating this system by the Indian Administrative Service treating it as a typical case which it is not. A conclusion sometimes drawn by critics that the service concept represents nothing better than dilettantism and a caste hierarchy and thus is the root cause of the ills of our personnel system, misses the basic elements of scientific personnel management underlying it. The case of the Indian Administrative Service is altogether on a different footing and, if looked upon from the functional angle, the cadre does, as it should, include only such positions as require a special skill, a skill not necessarily definable in concrete terms, but about which, on the basis of long experience, it can be said that, given the basic intellectual calibre and academic attainment, it can be developed in individuals through a series of work-experiences.

3.31 We have noted above that position classification tries to substitute personal judgment in measurement by objective criteria, but that does not mean that it always succeeds in doing so or that it is always possible to do so. The mere fact that a job, in this process, is broken into its constituent parts does not necessarily mean that objectivity has been attained. For example, responsibility, initiative, tact, etc. which are abstract concepts and difficult to reduce to a physical scale, are important ingredients of a job specially at the higher levels. Thus, in the valuation process at those levels, though conceptually subjectivity is pushed away from the scene, it reappears in the form of measurement of certain individual attributes which depends on subjective assessment. We are of the view that there are certain levels and certain points where no mechanical criteria can be applied and the judgement of persons having long experience in the field is indispensable. Even in the United States after more than 25 years of experimentation, certain positions, for example, the entire Foreign Service, have been kept out of the position

classification scheme. It was again partly for this reason that the Hoover Commission made a strong plea for a superior service not bound by position classification but based on the career concept in which an individual carried with him his pay and status, no matter what position he occupied. The Task Force on Personnel and Civil Service while dealing with this subject observed: \*

"The Civil Service law and the civil service system, which have been built upon the law, are designed primarily for other purposes. Originating as a reaction against the spoils system, and adapted to the large-scale employment problem of 20th century government, the present civil service has not been well designed to provide professional administrators at the higher levels. The extension to higher posts of concepts and procedures which were designed for large numbers or standardized positions at lower levels has been awkward for both political executives and career administrators, because they disregard so completely both the personalities and the careers of individual men. Some new concepts policies, and procedures are needed which are designed specifically to supply career administrators at high levels. The Senior Civil Service and the executive development program proposed by the task-force are an effort to meet this need."

3.32 More recently the Royal Commission of Enquiry on the State Service in New Zealand considered the question of 'grading' of superior positions and came to the conclusion that "proper grading cannot be determined solely by analysing the work content of the position, since position may be transformed by its occupant".† 'The more senior the post to be graded, the greater the emphasis that should be placed on the quality of the occupant rather than on the work of his position.'@ They, therefore, recommended that "grading in the Administrative Class while being related to the nature of the work to be done, should emphasise officer grading".\*\*

3.33 Thus, the assertion that the most scientific personnel management system must consider each position an entity in itself and attempt on each occasion to match its specific requirements does not take into account the further refinements possible in this field through the introduction of the service concept. This is also a narrow interpretation of the scientific concept underlying position classification and job analysis which by itself does not lead to "atomisation" of a personnel

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\*Commission on Organization of the Executive Branch of the Government Task Force Report on Personnel and Civil Service, p. 50.

†The State Services in New Zealand, Report of the Royal Commission of Enquiry, p. 196.

@ibid, p. 212.

\*\*ibid, p. 212.



structure. We do not, however, believe that it is possible to introduce the service concept in any soil and perhaps the practice as has developed in the United States is more a result of their attempting to solve their own special problems of personnel in their own socio-economic situation than being integral to position classification.

3.34 Viewed in this context, the whole question whether the personnel structure should be atomised and each position treated as an entity for all purposes or be further grouped into cadres reduces itself to the problem of lateral entry into the various personnel structures. The question has to be tackled by each country keeping in view its own socio-economic situation; even for all sectors of public activity in the same country, different solutions have been found. We turn to consider this question in our own context.

### *Lateral Entry*

3.35 It has often been suggested that the right personnel policy to follow—particularly in a democracy—is to recruit all personnel at the lowest levels and fill all higher positions by promotion on the basis of merit or seniority or some kind of combination of both. New Zealand is supposed to be an efficient example of this approach, whereas the United States represents the other extreme in which recruitment is made as and when needed from wherever possible.

3.36 Personnel policy is an integral part of the administrative system which itself is related to the social, economic and cultural situation in the country. Most of the attributes of a given system are acculturated; only a few happen to be universal. Therefore, this question has to be examined keeping in view (i) the requirements of innate qualities, skills and personal attributes of individuals; (ii) the institutional setting for personnel; and (iii) the socio-economic situation.

3.37 Firstly, at different levels and for different functions, different kinds of skills and different degrees of intellectual ability are required. In case the skills required are institutionally produced, the minimum number of levels of entry will depend on the nature of this 'production', each entry point corresponding to the distinguishable levels of skill 'production' in the field, unless the organisation decides to be self-sufficient even in this respect; this, however, is an expensive process and wasteful of resources. Within each level of this 'skill hierarchy' engendered institutionally an attempt to identify proficiency levels may be made, providing more entry points than the 'skill hierarchies'. For example, in an engineering organisation, normally there would be three levels of entry corresponding to the present skill supply position, namely, (i) the unskilled level; (ii) the diploma level; and (iii) the degree level. But within each of these categories, distinction is made on the basis of general education and/or intellectual capacity. Better engineering graduates (presumably) enter Class I and the not-so-good ones, Class II; better diploma holders may enter Class II and the not-so-good ones, Class III. With increasing training facilities for craftsmen, other entry points may

get established at lower levels. In organisations, where no institutionally trained skill is required, entry points may be determined on *ad hoc* considerations based, however, on long experience—and requirements like attainment in general education and intellectual and other qualities may be defined for entry at each level. Those entering at various levels are trained and developed to occupy positions in specified areas.

3.38 Thus, the factors determining the points of entry in any organisation are the skill market, the requirements of competence, innate intellectual capacity, personality traits and general education. Theoretically speaking, there will be a unique combination of all these factors for any given position and the government must look for that combination before manning each position. This is what, to some extent, happens in the United States. But there are a number of other factors which determine the possibility or desirability of entry at every level and the most important amongst them are the institutional arrangements, both the existing and the theoretically feasible ones, for purposes of recruitment, promotion, etc.

3.39 In the first instance, we note that competitive examinations have proved, on the whole, superior to most other methods of selection, all things considered, so far as the measurement of intellectual ability is concerned. The same examinations have also been successfully used in assessing the degree of proficiency in the institutionally acquired skills of individuals; the classes or divisions awarded by the universities provide only a first order comparison, so far as persons from different universities are concerned. The written examinations, however, have severe limitations with regard to assessing the quality of experience gained or skills acquired by individuals during one's working life as, by definition, these skills are not amenable to reduction to a common denominator, capable of being tested by a written examination. Reliance in these cases, therefore, has to be placed on assessment in a personal interview and record of work. The most important problem with regard to recruitment otherwise than through an examination is lack of objective and dependable techniques. This becomes all the more difficult at the higher levels in view of limitations in precisely defining the job requirements. A high level of precision may so circumscribe the qualifications that many suitable persons may be left out; on the other hand, if they are too general, the field may become so variegated that no objective comparison is possible. Therefore, as the matter stands, points of entry should be limited, as far as practicable, only to levels where reasonably dependable and objective methods for entry can be employed.

3.40 However, entry at one level for too wide a spectrum—the extreme example being New Zealand where one of the assumptions of Personnel Policy has been that most career officers would work their way up from the bottom\*—will have to take into account the imperfect nature of promotion techniques. We cannot visualise a very

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\**Ibid.*, p. 211.

high degree of dependability for ensuring that the right persons are always chosen for the right jobs. Union pressures always work for selection by seniority as it is an unambiguous and objective standard; merit, though theoretically acknowledged as the best standard for promotion, is "rarely sufficiently transcendent to be so recognised by disappointed rivals".

3.41 Apart from this institutional inadequacy, we have also to note that the kind of the work a person does for a long time develops in him a certain outlook, which is often found to be inconsistent with the kind of outlook required in other work-situations. For example, those whose experience is limited to routine functions during the formative period of their life, would be severely diminished in the intellectual and emotional qualities needed for the formulation of bold and broad programmes at the higher levels. They cannot become superior to the system in which they have grown. The tragedy is that when they emerge at the top, their personalities are so stunted that they are incapable of moving without complete assurance and are unwilling to incur risks. A healthy personnel system, therefore, can provide for only limited vertical movement.

3.42 Lastly, in a developing society with a positive government, the number of complex problems requiring quick and competent understanding on the one hand, and purposeful and imaginative action on the other, is much too large; such problems arise much too frequently, and urgent decisions are so often required that dependence, at high levels, on men who have risen to these levels merely by virtue of seniority would, in our view, be extremely unwise. It follows therefore, that lateral entry is necessary at various levels, though fair chances of promotion to recognisable talent from lower levels should certainly be assured.

3.43 Coming to the socio-economic context, in a developing society "vertical skill differentiation" is more refined than in an advanced country. Skills for higher positions generally require longer preparatory periods. There is, therefore, a graded vertical specialisation in each group of activity. On the other hand, functional differentiation or "horizontal specialisation" is in an evolutionary stage. For example, in a secretariat organisation there will be some purely unskilled jobs at the lowest levels; a series of groups of skilled jobs of typists, stenotypists, stenographers; of routine clerks, assistants and a hierarchy of superior positions requiring different degrees of competence. So long as the supply of personnel for the lower jobs is in excess of demand and there is an overall shortage of highly skilled personnel—as is the case in developing economies—it would be wasteful if in the basic design of a personnel structure highly skilled personnel is supposed to perform less skilled functions as well. Considerations of cost also lead to the same conclusion. The difference between the remuneration of the 'higher' and the 'lower' skills is much wider in a developing economy, making it more economical to recruit personnel at various levels. As society advances and the potential of a much larger proportion of individuals is better developed, vertical specialisation and cost differentials narrow down.

3.44 The degree of homogeneity of the employment market in the economy is another important factor. To illustrate, in the United States, big private corporations and big government departments are almost indistinguishable in basic essential characteristics. Necessary skills for various levels in both sectors can, therefore, be found with equal probability in either of them. Lateral movement between the two sectors becomes easy and natural. In a developing society, however, the employment market is heterogeneous. For example, the large body of administrators required to manage the growing public sector does not just exist; even in the private sector they are in such a short supply as not to match even their own increasing needs. Most of the private units are small, limited in their scope, and there are organisational dissimilarities; certain skills, thus, do not exist outside. The government has, therefore, to develop necessary personnel by building up viable cadres.

3.45 Another characteristic of a developing society is that government service enjoys a higher status and, sometimes, even commands higher emoluments. Those who join government specially at the higher levels are reluctant to leave; this makes a policy of 'fixed term' appointments impractical on any significant scale. Even between different tiers of government, pay and status differentials create personnel management problems, those who have arrived at the Centre are usually not willing to go back to their own parent departments where service conditions are not so attractive, thus, defeating the principle of tenure appointments. As against this, the average annual turnover in the United States is almost one in five and the personnel system can count on an even flow, both from, as well as to, the government sector. Perhaps, a necessary corollary to lateral entry is lateral exit at different levels but this is not possible on an appreciable scale because of the heterogeneous employment market. In addition, the imperfect nature of selection techniques, specially for positions at the higher levels, may also be a factor; a few wrong selections of an *ad hoc* kind may cause demoralisation and discontentment in such a vast body of individuals that the consequent loss of efficiency may more than outbalance the gains of lateral entry.

3.46 There are two more factors whose significance is not sufficiently realised. Firstly, in a developing economy the requirements, specially at the higher levels, keep on changing with such rapidity, compared to the working life of an average individual, that an attempt to achieve a one-one correspondence between the requirements and skills may really result in divergence between the two over a long period. Broad based cadres would appear to be the only answer. Secondly, the opportunities available to individuals for acquiring higher skills while working on the job also influence the desirable degree of, and set practical limits to, vertical mobility. For example, in some engineering organisations, unqualified technicians can work their way up by acquiring an Associate Membership of Institute of Engineers (A.M.I.E.), which is considered equivalent to a bachelor's degree in Engineering. But similar facilities are not available to those working in scientific institutions. Similarly, at the lowest levels in the government hierarchy, although differences

in emoluments are not very much, there is no significant vertical mobility. This is partly because the knowledge of a foreign language is an essential pre-condition for entering Class III as also for any academic pursuits. Failure to get education early in life, therefore, permanently disqualifies many, inhibiting vertical mobility and necessitating lateral entry at even quite low levels.

### *Conclusion*

3.47 The above discussion would show that in our situation, we cannot be dogmatic about unrestricted lateral entry at all levels in all professional groups nor can we afford to restrict entry at the very low levels. However, the same policy cannot be advocated for all sectors of government activity. What we need is a continuous appraisal of the system so that the personnel system is always in consonance with the state of the economy. In the traditional sector, the multiple lateral entry system at a small number of points appears to be adequate. In the new sector of science and technology, a larger number of entry points are in evidence. We recommend that, in those sectors of government activity where a homogeneous nation-wide employment market is in evidence, lateral entry at more points should be provided. We further recommend that in such cases the highest and the second highest posts in the department should not be included in the corresponding cadre. Such posts should be filled on the basis of open advertisement and recruitment; departmental officers should also be eligible to apply. It should be the duty of the Central Personnel Agency in the Central Government and the corresponding bodies in State Governments to determine from time to time which departments and specialities would fall in this category. An example of a speciality where these conditions hold good is the Medical profession and we understand that provision for appreciable lateral entry at many levels has been made. A homogeneous market means comparable opportunities in the public and the private sectors which may facilitate exit from, and entry into, the government sector. Lateral entry at more levels in such conditions will provide a wider base for selection. We hazard the hypothesis that, if 10 per cent of the individuals entering an organisation every year are outstanding and if a government organisation begins to experience a turnover of more than 3 per cent of its annual intake, it should be sufficient indication that a drastic review of its personnel structure is called for.

3.48 We thus reach the conclusion that the basic personnel structure as it obtains in India at present is sound. In our stage of economic development, we think it necessary that we continue and, to some extent, strengthen the service concept with necessary adaptations where required. This is in fact being done, but not to the extent that it is desirable to do so. We feel that the service concept can be smoothly dovetailed into a system that has developed (or develops) a very high degree of precision in job evaluation. Given a full employment economy at a high level of productivity and a homogeneous skill market, perhaps, the service concept even in India may, in due course, give way to the position concept as it obtains in the United States. In some specialities this is

actually hapenning. However, for quite some time to come, government will have to largely depend on its own resources and build up various cadres which not only meet immediate needs but are also flexible enough to meet the ever-increasing and diverse demands of the complex socio-economic situation.

3.49 In conclusion, we observe that cadre concepts developed for the superior services in India have also been applied to lower positions either completey or substantially. This extension of concepts and procedures which were suited to higher positions have not proved successful in relation to the personnel problems of a large number of repetitive jobs requiring, more or less, measurable skills. There have also been pressures from employees for broadening the salary-band at each level resulting in longer scales grouping together more than one identifiable level of responsibility. There is also a mistaken tendency to think that the relatively smaller absolute differences in emolument levels at lower levels are inconsequential. They are no doubt small when compared with the absolute differences at the higher levels but are substantial in relation to the quantum of pay at the lower levels and represent a distinct change in the level of responsibility, skill requirements etc. Similarly we find, even in purely scientific and technical positions, service concepts have been applied although modern techniques can be usefully adopted for qualifying differences in responsibility, technical knowledge etc.

3.50 We have elsewhere suggested that at lower levels, work measurement may be taken up. We recommend that alongside this process, the position classification concept should also be pressed into service as early as possible at those levels. We further recommend that as many categories as possible at higher levels where quantification is possible may also be gradually covered.



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## II

### THE SERVICES

#### (i) *All India Services*

3.51 The nature and scope of the Central Services and the States Services is self-evident but the All India Service is unique to India. At one time, there was an All India Service in practically every important branch of administration—general administration, police, engineering, forestry, medicine, etc. [Annexure 3(1)]. Between 1929 and 1946, however, all but two of these services were wound up and at the time of Independence only the Indian Civil Service and the Indian Police were left. In October 1946, it was decided to constitute the Indian Administrative Service and the Indian Police Service to replace those two old Services. Subsequently, decisions were taken to form All India Services in Engineering, Medicine, Forestry, Education and Agriculture. The initial constitution of the Indian Forest Service is nearing completion; the final shape of other All India Services is still to emerge.

#### *Indian Administrative Service*

3.52 The question of formation of a service to replace the Indian Civil Service came up for discussion early in 1946 itself because recruitment to the ICS was stopped after 1943; a further decision was taken by the then Government that no recruitment to that Service would be made because of the constitutional and political changes that were being considered or taking place. The Government took up in 1946 for the first time the question of constituting successor services to the ICS and IP. In a conference of premiers of all the provinces held in October, 1946, it was decided after careful deliberation that "It is not only advisable but essential if we want to have an efficient service to have a Central Administrative Service in which we fix the strength as the provinces require them and we draw a certain number of officers at the Centre as we are doing at present." This 'Central Administrative Service' was christened the Indian Administrative Service. It was to be on the model of the ICS. Sardar Patel indicated the views of the Interim Government on the desirability of having this arrangement in the following terms:

"This will give experience to the personnel at the Centre leading to efficiency and administrative experience of the district which will give them an opportunity of contact with the people. They will thus keep themselves in touch with the situation in the country and their practical experience will be most useful to them. Besides, their coming to the Centre will give them a different experience and wider outlook in a larger sphere. A combination of these two experiences should make the Service more efficient. They will also serve as a liaison between

the Provinces and the Government and introduce certain amount of freshness and vigour in the administration both of the Centre and the Provinces.”\*

3.52(a) Thus, the main considerations for the formation of the Indian Administrative Service can be stated as follows:—

- (i) to provide top administration personnel to the Central Government as well as to the State Governments;
- (ii) to provide opportunities to the Central administrative machinery for constant touch with realities and for contact with the people;
- (iii) to provide opportunities to the State administrative machinery for acquiring a wider outlook;
- (iv) to facilitate liaison between the Centre and the States;
- (v) to bring about uniformity in the standards of administration;
- (vi) to ensure that services are free from communal or party bias; and
- (vii) to ensure contentment and sense of security in the services.

3.52(b) The question before us, therefore, is whether these original considerations for the formation of this Service still hold good and whether, in the light of experience gained during the last twenty years, there is a case for some basic changes. This becomes all the more important because doubts have been raised about the role of the Indian Administrative Service and suggestions have been made even to stop recruitment to this Service. It is said that those state posts which members of this service now occupy can be held by the respective state service officers, and the central posts by the officers of various central services. The requirements of interchange between the Centre and States can be met by a system of deputation of State Officers to the Centre on a ‘tenure’ basis.

### *An Elite Service*

3.53 The first basic presumption in the constitution of the Indian Administrative Service is that there is need for a service to provide top administrative personnel to both the Central, as well as the State, Governments. In other words, the need for an elite service was felt and met by the creation of this service. Whether this need should have been and should continue to be satisfied by the IAS is a question of detail which we will revert to at a later stage. In the first instance, it has to be examined whether there is any need for an elite service at all or not.

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\*From Sardar Patel’s speech in the conference of the premiers of all provinces held in October 1946.



3.54 It would be no exaggeration to say that the world over the importance of building up a higher civil service has been recognised, though the exact mechanism for constituting this group in each case has been significantly different. The importance of an elite service flows from the fact that great differences may arise amongst administrative systems depending on the composition of its top cadre of civil servants. For example, if the entire top civil service has to work its way up from the lowest rung in the hierarchy, the top administrative leadership would be of an entirely different complexion from what it would be if this group is recruited at a higher level. Even in the latter case, its outlook will depend to a large extent on the preference shown in the selection process, implicitly or explicitly, for particular kinds of educational and social background. Moreover, the work experience itself of this group will shape the attitudes and personality of its members. The group constituting the higher civil service, to a large extent, represents the entire bureaucracy's outlook and exerts influence far in excess of its numerical strength. It is not uncommon that other service groups are critical of their role and even the public may censure this cadre for a number of short-comings or for an 'ivory tower' attitude, yet there is no doubt that this group has a decisive formative influence on the bureaucracy as a whole and the characteristics of this top group become a model to all other groups at other levels.

#### *Elite in Other Countries*

3.55 The elite group, however, does not mean one and the same thing in all countries. At the one extreme, this group forms a self-contained career within the public services separately recruited and insulated both from below and from outside. England, France and Germany are examples of this category. At the other extreme, higher positions may not form a distinct career group and may be filled entirely by promotion from lower groups in the ordinary course. The Swiss Civil Service is one such example. The United States Civil Service draws many of its top men from those entering at lower levels, although in recent years, university graduates are entering at the bottom of the middle levels in these services.

3.56 Looking at some of the systems more closely, we find that the British system, which has influenced our system and was also influenced in its turn by the needs of governing India, has an administrative elite in the form of the Administrative Class which, by and large, provides personnel for all higher positions in Whitehall. The elite in France is exemplified by the Prefectoral Corps and other functional 'Grand Corps'. This pattern resembles the Indian system to the extent that the top civil service has integrative functions to perform in territorial administrative units. The Prefect in France can be compared in many respects to the Collector in India. The system, however, is significantly different insofar as the highest positions in India are nearer the Political Executive as in the UK and the Indian Administrative Service provides personnel for most of those positions as also for all territorial general administrative positions.

3.57 The French Model is of interest to developing nations specially because it has operated successfully during long periods of political instability and weakness. While the multi-party character of the French Parliament has prevented the growth of a strong Cabinet and, in turn, has resulted in the instability of republican governments, the stability provided by the administration, in general, and the Prefect, in particular, is of significance.

3.58 In Germany the higher Civil Service has long been a strong career service. Because of their concern for holding public administration to legally defined authority, juridical study is considered essential for them so that they are 'inducted into both the spirit and mechanics of objectivity, into a manner of analysis and into the art of consistency and, thus, are able to deal with conflicting interests which is at the heart of public affairs.'\* Not only is pre-entry legal knowledge necessary, but, even during the probationary period, the Civil Servant has to move about for three years from one place to another in the judiciary as well as in the administrative system.

3.59 This system resembles the Indian system in one important aspect; although no prior knowledge of law is necessary to enter the Indian Administrative Service, a fair grounding in law is given to every officer during training and for about three to four years he has to function as a Magistrate gaining experience in marshalling of evidence, interpretation of rules and law etc.

3.60 Of a country where there is no higher service as a distinct career group, the United States is generally referred to as an outstanding example. However, the merit system there has grown 'from the bottom up' and only gradually replaced what is known as the 'spoils system'. Even now, a presidential change involves change of a large number of functionaries who, in our system or in most of the European systems, would form part of the permanent service structure. With the upward range of hierarchical levels covered by the civil service system, the need for a Senior Civil Service has been felt. The Task Force on Personnel and Civil Service appointed by the Hoover Commission visualised such a service consisting of persons who 'should be given an appointment resembling that of a commissioned officer in the Armed Forces in that they would have status, rank, and salary as individuals, and could be employed flexibly in a number of authorised positions calling for high administrative talents. The primary objective is to have always at hand in the Government a designated group of highly qualified administrators whose competence, integrity, and faithfulness cannot reasonably be questioned; who will make it easier for political executives to discharge their responsibilities.'† As the corollaries of personal rank and status, an obligation on the part of senior civil servants to serve where needed most on the one hand and a substantial area of transferability in the Personnel Scheme on the other, were visualised. Some of the other

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\*Fritz Morstein Marx: *The Administrative State*, p. 112.

†Commission on Organisation of the Executive Branch of the Government, *op. cit.* pp. 50-51.

desirable qualifications which, they thought, may not be insisted upon at the outset, but which could be attained after the proposed executive development programme was under way, are: "Experience in more than one charge, experience in both staff and line, operating work and experience in both the departmental and field service."\*

3.61 This concept resembles considerably the Indian concept of a senior service. It is significant to note that field agencies in a vast country bring up their own problems and the task force attempted to remedy 'the discrimination against field services' by providing an organic link below, a problem unknown to the British administrative system. The non-implementation of this recommendation, which Hoover considered as the most important recommendation of his Commission, shows that historical forces are usually very strong and have their own compulsions.

3.62 But in the recent examination of the State Services in New Zealand, the Royal Commission recommended a service modelled on the British Administrative Class. The Commission recognised the need of public servants 'who co-ordinate and control the work of the various occupational classes within departments and who give the work central direction.'†

3.63 The Royal Commission also considered the question of direct recruitment of an administrative elite but came to the conclusion that this was not practicable in New Zealand. According to them, the country's historical development manifest in the tradition of recruitment from below precluded it. They, therefore, preferred to strengthen the quality of recruitment to occupational classes and to adopt measures such as to quickly distinguish those who show administrative potential.

3.64 Lastly, we would like to take note of an exception to this rule of an Elite Service in the socialist countries whose service structures we have not examined. The permanent base below the changing political leadership, provided in democratic countries in the form of a senior civil service, is substituted in these countries by the invisible party, permeating all strata in governmental and semi-governmental organisations. 'Although there are a few exceptions, managers generally cannot move up even to the plant director level without first becoming Communist Party Members.'‡ The analogy of these countries is likely to be misinterpreted if this important point is not taken into account.

3.65 To sum up, structurally and conceptually, the Indian Administrative Service has many important elements common to a number of other senior civil services in the world. Briefly, the more important ones are that the Indian Administrative Service —

- (i) provides personnel for the bulk of permanent civil service positions at the policy formulation levels just below the political

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\*Ibid., p. 55.

†The State Services in the New Zealand, Report of the Royal Commission of Inquiry p. 209.

‡David Granick, *The Red Executive* p. 35.

executive as in the UK and as proposed in New Zealand and as was conceived by the Hoover Commission in the United States;

- (ii) mans the field positions as in the French Prefectoral system;
- (iii) provides a link between the field and the secretariat and between line and staff positions as conceived by the Hoover Commission for United States; and
- (iv) inculcates, through training and work experience, a judicial background in its members as in the German Civil Service.

The above discussion also clearly brings out the fact that the social and economic context, the administrative system as a whole and historical factors determine the kind of senior civil service that a country has.

### *Other Considerations*

#### 3.66

- (ii) To provide opportunities to the Central administrative machinery for constant touch with the realities and for contact with the people.

One extreme view sometimes put forward is that administrative experience at the district level is irrelevant at the policy formulation levels because (i) the people's representatives in the democratic context provide the link between the machinery of government and the people; and (ii) in view of the complexity of the emerging administrative needs, 'officers of considerable experience of the working of the machinery of the Government of India as a whole would be needed'.

3.67 Personnel needs and requirements, no doubt, are continuously changing and a dynamic personnel policy is necessary, but, with Government stepping into a very large area of welfare administration and the ultimate objective of every governmental activity being the furtherance and amelioration of the conditions of the vast majority of our population, who live and will continue to live in villages, those at the policy formulation levels require to be in constant touch with the realities of life in the field. Pandit Nehru, as late as 1960, said in one of his addresses:

"Inevitably administration, of course parts of it, especially in secretariats and the like—is apt to become cut off from the human side. It is not cut off if you are a District Magistrate; you have to deal with the human side all the time in a dynamic and moving society where you have to move and move along with masses of people, it is very important to have the human approach";\*

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\*The Indian Journal of Public Administration Vol. VI, p. 336-37.

and he concluded: "I do not know how any school can teach the human approach". Nor can this approach be inculcated by indoctrination and, certainly, an examination will not help us in discovering whether a person is capable of such an approach or not. Personal work-experience appears to be the only answer and, in this context, it seems vital that officials, some of whom may later rise to policy formulation levels, be sent out, in the formative stages of their careers, to work in positions which bring them into living contact with all aspects of a common man's every-day life. Impressions gathered during this period arising from direct experience rather than out of intellectual curiosity or through some sort of a study tour, which will guide their sensitivities throughout their lives and give a realistic touch to the thinking and policy formulation at the highest levels, are of immense value.

3.68 This is all the more necessary because of the growing distance between the rich and the poor, the city and the village. We will be suggesting the strengthening of the base of recruitment elsewhere. Suffice it to note here that services in most of the countries come from the upper middle classes and in the context of a hardening of the dualistic character of the social structure, built-in methods to counter the adverse effects arising from this phenomenon have to be incorporated in service structures themselves. It would be an ideal situation if all those joining governments were made to have such experience, but it may be operationally impracticable because of the large numbers involved and the variety of specialisations. A selective approach, therefore, is necessary.

3.69 Although it is true that the people's representatives do form a link between the administration and the people, the role of bureaucracy cannot be belittled in policy formulation. We will be referring to this point in greater detail in the chapter on the Political Executive. We simply note here that those working at the policy formulation levels and even those further down below in the hierarchy profoundly influence not only the way how a policy is executed but also how actually it is formulated.

3.70 The new image of a district officer is more that of a leader of a team of development officers than merely that of a regulator of law and order. With the inauguration of panchayati raj a new functionary—the Chief Executive Officer of Zila Parishad—has appeared on the scene who is the adviser to the political leadership at that level. In essence, the Minister-Secretary relationship at the Central and State levels, the Chairman-Chief Executive Officer relationship at Zilla Parishad level, the Pradhan-Anchal Adhikari at the panchayat samiti level and the Sarpanch-Secretary at Panchayat level are basically the same. The district, therefore, in addition to being the point where the field begins, is a miniature, self-contained administrative entity. The chief representative of government who became the Chief co-ordinator of developmental functions in the transitional phase, is now coming to be the Chief Adviser to the political leadership. We think that, in the case of the IAS, the new contacts will considerably reduce the ambivalence of a situation in which, in the higher tiers, they served as Advisers but, at the district level, were administrators. The officers in this cadre will henceforth work as policy-formulators to the political leadership at all the three levels. Policy

formulation, however, will not be completely divorced from execution; the lower the tier of government and the nearer the position to the field, the higher will be the direct executive content. What we wish to stress is that, in the new context, initiation of the members of the higher civil service into the policy formulation process starts much earlier in their careers. A common Civil Service, below the political leadership permeating all the three tiers of government, thus provides a uniform administrative base, an easy communication system without problems of distorted perception and allows for the natural development of personnel at the higher levels.

3.71 (iii) To provide opportunities to the State administrative machinery for acquiring a wider outlook.

(iv) To facilitate liaison between the Centre and the States.

Theoretically, there is no difficulty in visualising two completely insulated headquarters organisations, one at the Central level, the other at the State level. However, for the smooth functioning of the administrative machinery, it is necessary that those working in States be familiar with the processes as they obtain in the Central Government. They should have first-hand experience of working at a higher level for appreciating various proposals not only in a narrow context but in the wider context of the entire national economy. Similarly, those operating the machinery at the Centre must also be fully conversant with the State Governments' views. Here, again, knowledge through work-experience is important rather than theoretical knowledge or knowledge gained in an observational tour. We, therefore, consider that an organic administrative link in our system is necessary between the three tiers of government viz., the Centre, the States and the Districts. In the context of the new situation in which the system of communication at the political level through a common political party is breaking down with the emergence of governments and administrations with different political shades in the country, a common administrative link for an uninterrupted exchange of information and experience of understanding among the different tiers of government appears to be all the more necessary.

3.72 (v) to bring about uniformity in the standards of administration;

(vi) to ensure that services are free from communal or party bias; and

(vii) to ensure contentment and a sense of security in the services.

These considerations are as vital now, if not more vital than, when the question of All India Services was first taken up. We consider that the pattern of control over the services as developed during the last two decades meets our requirements satisfactorily. The services working under State Administration have to be fully responsible to those administrations, though the final control, as distinguished from operational and detailed control, should continue to vest in the Centre as at

present. We do not consider that any further intensification of central control of these services is necessary. The new challenge thrown to the relationship between the political leadership and the civil services is, in the last analysis, another facet of the perpetual problem of human adjustment. Healthy relationships have to develop on the basis of mutual understanding and the present frame provides the right mixture of authority of the States and independence of All India Services for that development.

### *Conclusion*

3.73 Thus, not only do the original considerations for which the Indian Administrative Service was set up in the beginning hold good even today but they apply with even greater force in some respects. There are also some additional reasons like the emergence of a new tier of representative government which makes it necessary that a service structure like the Indian Administrative Service should continue for the foreseeable future.

### *Indian Police Service*

3.74 The only other All India Service which has constitutional genesis is the Indian Police Service. There is no controversy worth the name about the role and composition of this service and we support its continuance in the present form. We would, however, like to draw attention to one recent development needing attention. A number of special Police forces directly under the Central Government like the Border Security Force, the Central Reserve Police, the Railway Protection Force or the proposed Central Industrial Security Force are slowly adding a new dimension to the problems of this service. These new units are not territorial in character like the traditional police force and may introduce a different concept in the basic composition of the Indian Police Service. We have not examined this problem because of lack of time. We would only urge that government should examine the problem of manning the superior positions in these Forces keeping in view the All India character of the Indian Police Service. We understand that the superior positions so far are being manned, as they should be, on a deputation basis from the Indian Police Service officers. However, there is direct recruitment at levels corresponding to Deputy Superdts. of Police also. Early enough there is bound to be a pressing demand for more and more higher positions from those recruited directly and it is time that a personnel policy for higher positions is drawn up on a long term basis; a hastily drawn personnel policy at the last moment may not be in the interest of the new organisations.

### *All India Services in other Fields*

3.75 The constitution of three new Services—the Indian Forest Service, the Indian Service of Engineers and the Indian Medical Service—has been agreed to by Parliament and the Indian Forest Service has

entered the stage of actual constitution. Constitution of two more services—the Indian Educational Service and the Indian Agricultural Service—is under active consideration of government. Many of the grounds reviewed by us for the constitution of the IAS and the IPS will hold good in other fields as well. Although opinion on the necessity of such services is varied, we are of the view that the formation of All India Services is definitely in the interest of the country as a whole. That they are a cementing force of some importance and further that they are likely to be less subject to domination by political or other local pressure groups, are important considerations in themselves; apart therefrom, the decisive consideration from our point of view is that these are pools of national talent recruited, trained and developed on a uniform basis, and owing to the fact that posts in the relevant fields at high-levels, both at the Centre and in the States, will be held by them, they are likely to ensure not only a fair amount of competence, but also a variety of field experience which, in our view, it is important that policy formulation should be backed by.

3.76 Having thus expressed our unqualified support for the constitution of All India Services in as many fields as possible, we would like to put on record that the decision to constitute a service must be taken after full consideration of its feasibility and of the operational side of cadre management. It appears that a decision to form some of these services may not have been backed by a full examination of the problem; some witnesses before us have expressed doubts about some services. We shall therefore draw attention to some of the possible pitfalls and recommend that government should examine each proposal in the light of these observations before taking further steps.

3.76a (i) The prototype for the constitution of a new All India Service is generally the IAS. It is presumed that simply by the creation of an all India Service all the structural characteristics of the IAS can be automatically expected in its structure as well. To some extent, this is deceptive insofar as:—

- (a) the internal structure of the IAS, as it is, cannot be duplicated in any unifunctional service because the proportion of higher posts to the basic level of entry is bound to be much smaller in any such cadre; and
- (b) the proportion of positions at the Centre in any other service having no corresponding functional department in the Central Government is bound to be much smaller than in the IAS.

3.77 (ii) The suitability of the IAS structure, which may be ideal for a purely administrative service, is taken for granted at least, in principle, for all other services. But in fact that structure may not be suitable at all for services with, in addition, other functional components like research, teaching, or extension.

3.78 (iii) Sometimes factors not an integral part of the concept of an All India Service may be over-stressed and the real points and issues



may not be examined. For example: (a) a statement like "nothing short of forming an All India Agricultural Service with the scales of pay and prospects at par with the IAS would raise the morale and efficiency of the Agricultural Services and thereby attract equally suitable material for manning the service and bringing about uniformity of standards",\* gives the impression that a remuneration pattern is an integral part of the All India Service concept. In fact it is not so. An extreme view can be taken that these objectives can be attained by persuading State Governments to have comparable grades in an appropriate service, if necessary by subsidising those branches from the Centre on the pattern of grants from the University Grants Commission in the case of the teaching profession. (b) Similarly, although All India Services are a cementing force, we do not think that the national integration aspect should always be considered decisive.

3.79(iv) The fact that there was an All India Service sometime back in many of the special fields is also overstressed. The figures given by us in Annexure 3(1) show that the dimensions of the problem have completely altered. The new requirements in many fields are hardly comparable. With growing specialisation, the structural complexity has also increased manifold in most of these cases. A structure that could meet the limited requirements in the simple situation of the early 20th century cannot, *ipso facto*, be taken as suitable for the requirement of a developing economy committed to the establishment of a welfare State.

### 3.80 Some other problems:

(i) In all the proposed All India Services, except the Indian Forest Service, teaching, research and administration will have to be distinct areas of activity, if one or more of them are not expressly excluded. In addition, the Indian Service of Engineers and Indian Agricultural Service may also be charged with the direct execution of certain programmes including extension in the case of the Indian Agricultural Service. There are some special problems connected with personnel management in the field of research which need attention :

- (a) recruitment techniques for research posts have to be flexible and normal methods of recruitment to administrative services may be unsuitable;
- (b) there is a trend towards greater specialisation, particularly at the middle and higher middle levels, resulting in considerable difficulty in the interchange of personnel at those levels;
- (c) seniority cannot be given much weight for promotion;
- (d) in case of scientific posts it is necessary that they should be filled only when suitably qualified scientists are available; promotions should not be withheld if posts are not available;
- (e) scientific research activity in India, as also in other countries, has grown round individuals and institutions. Even normal changes, so common to service management, are likely to disrupt the healthy growth of such institutions and research.

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\*Report of the Agricultural Administration Committee, October 1958, p. 18-19.

3.81 One of the solutions of these difficulties would be to separate administration from research. The real question, therefore, turns out to be whether in each specific case a dichotomy between research-teaching and administration is really possible.

3.82 Administration in technical organisations falls in two broad categories, viz., (i) administration of a routine nature which is common to all services; and (ii) administration which requires intimate knowledge of the field concerned. The latter involves drawing up programmes, initiation of new lines of work, modification and curtailment of less promising lines of work and selection of scientific personnel for specific tasks. This aspect of administration is much more important and requires leadership which can be provided only by a person who is fully alive to the latest developments in the concerned field. Therefore, one opinion, with which we agree, is that it is neither feasible nor desirable to divide all posts in these departments into administrative and non-administrative categories.

3.83 If this view is taken and it is agreed that research cannot be divorced from administration, the whole battery of questions raised in the preceding para will have to be examined and whether the pre-requisites for the sound administration of scientific departments are present carefully determined.

3.84 Even if it is considered possible to restrict the area of activity of All India Services mainly to administration, questions will arise about the relationship of administration with research and teaching organisations and about the extent of cross movement between different activities, its desirability and exact mechanics. If administration in each of these fields is such a specialised function as to call for an All India Service, will it not create the same tensions between the 'administrative elite' in those specialities and the operating units as is the case now between the administrative services and the specialist organisations?

3.85(ii) Another basic question is whether in some of these fields it is at all possible to have a cadre structure. The concept of a cadre structure can, no doubt, be suitably adapted to new needs but there are limits beyond which this is not possible. We consider that at least there are two important pre-requisites for constituting a service:

- (a) the cadres should be of a sufficiently big size to be operationally viable; and
- (b) there should be sufficient interchangeability between different positions so that officers belonging to a particular grade can be easily posted to different positions.

3.86 In many cases, the number of specialisations has become so large that the very concept of a cadre structure may not be suitable. Persistent trouble in the Central Health Service and the almost unending process of initial constitution spread over more than five years points in this direction. If this is so in the case of a small central service, the problems of an All India Service will be even more difficult.

3.87 We have dealt at great length with the dangers of over-simplification and of making some basic presumptions not necessarily valid. There is a real danger of attempting to find easy solutions to complicated problems and then wishing for the best. We have elsewhere referred to the fact that an initially wrong personnel policy may be fatal to an organisation or activity. Personnel management problems in the scientific and technical fields in a vast country of our size are very intricate and it would be naive to think that the formation of an All India Service by itself will be a solution of all those problems. The basic questions discussed above should not be left half considered or left to be considered at a later stage. They should, in fact, be thrashed out before the conception of a service itself, as there will be no other time when an objective assessment of the situation may be possible. Given good intentions and good will, every system can be worked, but every system has some necessary concomitants and it may be difficult to free oneself from those compulsions once a scheme has been put into operation. In some cases, the service concept itself may, particularly, over-stress some of the points like interchangeability, promotion by seniority, etc., to a point where the basic personnel management principles in the concerned fields may be vitiated. We are of the view that there are some fields where structures have to be more position-oriented than in a well-organised service structure.

#### *Rule for allotment to States of All India Service Officers*

3.88 The objective of promoting national integration has been sought to be achieved partly by requiring not more than 50% of vacancies in any State to be filled by officers belonging to that State. We find that although there is more than the stipulated inter State mobility, there is significantly much smaller interchange between the five regions. An analysis of State-allotment for 1961-65 on a regional basis [Annexure 3(2)] shows that in the IAS 85% of the vacancies in the southern region went to candidates belonging to that region. The corresponding figures for the eastern region and the northern region are 72% and 60% respectively. If northern and central regions are clubbed together, about 73% candidates belonging to these regions were accommodated in these two regions. Only the Western region, which contributed only 26 officers for the IAS during this period and had 92 vacancies in all, got back in the region 17 candidates (18.5 per cent). It appears that if the imbalances in the contribution of each region were not as wide as they are, the allocation could have been still more region-based. A similar pattern is evident in the allocation of Indian Police Service candidates [Annexure 3(3)].

3.89 There is also a complaint that some of the less developed States are not getting a due share of the candidates securing higher positions. We understand that the Home Ministry is examining the question of an even distribution of officers in different States from different percentile groups in the merit list. This is a welcome suggestion and we commend it. Further with a view to bringing about the interchange of personnel between different regions, which is the real intention behind

the State-allotment rule, we recommend that a further condition should be introduced that no more than 50% of vacancies in any zone should go to candidates from that zone.

### (ii) *The Central Services*

3.90 We have already described the structure of services as it obtains in various departments. Central Services are functional in character and each cadre usually serves one department. In accordance with our general thesis on personnel policy, we suggest that, with the emergence of identifiable groups of positions in any field or speciality, service cadres, where viable, should be formed. The question of viability will be taken up in the following chapter. Suffice it to say here that a cadre should neither be too small nor too large. We would specially like to warn against too small a cadre. Pressures begin to develop in an organisation even before there is sufficient justification for constituting a service. There are cases where only a few posts, sometimes less than even 25, have been deemed sufficient to form a service. Such small service cadres are, more likely than not, constituted without full examination of feasibility etc. However, as time passes there is disillusionment which again gives rise to pressures either for expansion of the cadre or for its amalgamation with some other cadres. For example, a proposal has reached an advanced stage of consideration for the amalgamation of the Indian Frontier Administrative Service with the Indian Administrative Service on the ground that there are insufficient promotion opportunities in that service, the total cadre strength being only seventy five. The Military Lands and Cantonment Service, Class I, has a cadre strength of 79 and their Association feel that the service should be amalgamated with the Indian Administrative Service. The practical implication of our discussion is that professional specialisation should be allowed to develop within an existing cadre till such time as there is a distinct possibility of forming a viable personnel unit in the form of a service for that professional group. As far as possible, persons from existing services working in those specialities should be seconded to the new service so that steep promotions are avoided and new units start on a sound base. The secondment of officers of the ICS to the Indian Foreign Service in the beginning is one such example.

3.91 Small cadres should be specially avoided in regulatory departments. There should be fair amount of turn-over in key positions in these departments so that vested interests and unhealthy alliances are not created and, further, so that good chances become available at intervals for cleaning up the administration with change in the incumbency at least at higher levels. These conditions are not satisfied if there is a very small cadre. In cases such services are formed for other pressing reasons, the position of heads and joint heads of departments should not be included in the cadre. For example, there is a move for the constitution of an Indian Trade Service in the Ministry of Commerce and there are only 10 positions in this Service equivalent to the level of Deputy Secretary. Although there is a provision for 50 per cent deputation from outside, in such a small cadre pressures against

bringing in outsiders are likely to arise. Early enough, arguments for additional higher positions, as now advanced by the other services which do not have a 'sufficient' number of higher positions, will be advanced in this case as well. Already, as a result of re-organisation, a number of positions are proposed to be upgraded and this is only the beginning of the whole process. We consider it necessary that there be full consideration of all these points before taking a decision on the constitution of such services.

3.92 Another general point about the central services is the anomalous position of Class II. It appears that the problem of this Class has been tackled on an *ad hoc* basis and no general principles of personnel policy with regard to these officers appear to have been formulated. In many departments, Class II posts are reserved for promotees in Class III and Class II, who in their turn, get a proportion of posts in Class I. In these departments there does not appear to be any conflict of interest between different groups of personnel. However, there are a number of departments where direct entry is made to Class II as well as to junior Class I and it is said that these positions—standard Class II (scale Rs. 350—900) and junior Class I (scale Rs. 400—950) are distinguishable in terms of actual responsibility. The two Pay Commissions considered the question of Class II services and favoured retention of these two levels in the salary structure. We, however, have not been able to agree with them on this point.

3.93 A distinction between these two scales would have been understandable if those recruited directly at Class I level held those posts for the limited purpose of training and for equipping themselves for higher responsibilities. But we find that a number of services are not structurally so designed as to allow those recruited at junior Class I to move, as a matter of course, to senior Class I. The Second Pay Commission itself observed that the junior grade, in many engineering services, is "the main 'career' grade", and "officers in the junior scale are not assured of regular promotion to the posts of executive engineers in the same way as in other Class I Services".\* This is the position in most of the non-technical services as well. Therefore the real question is whether there is a necessity for two parallel career grades with a mean difference of only about 7 per cent. Even if it is necessary, the question is whether it is at all possible to make such a fine distinction in the levels of responsibility and prescribe significantly different qualifications for these levels. Literature on personnel management and practices in other countries clearly rule this out. In advertisements of the Union Public Service Commission, sometimes there is no difference in qualifications and experience for these two grades and, if there is, it is very minor—for example, a fine distinction is attempted to be drawn by prescribing a basic degree plus two years' experience in the case of

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\*Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-58, p. 169

Class II and a basic degree plus three years' experience in the case of junior Class I. In recruiting a person for a career grade, that is, an average of 30 years' service, this distinction is inconsequential. The only alternative, therefore, is that the services should be restructured as follows:

- (i) if there is no distinct level of responsibility between Class II and Sr. Class I the junior Class I positions should be abolished and a distinct training grade created; or
- (ii) if there is one more identifiable level of responsibility between these levels which clearly is the case in view of the big difference between the two scales, three distinct grades should be established, with reasonable differences in emoluments.

We are, however, against having a grade only for training purposes as it results in unnecessary confusion. Recruits selected for higher jobs should be placed in a lower scale during the training period on the specific understanding that they will move up one or two levels, as the case may be, after a stipulated time subject to some conditions being satisfied.

### *Central Secretariat Services*

3.94 The following services have been organised to man secretariat positions in the Government of India:

- (i) the Central Secretariat Service;
- (ii) the Central Secretariat Clerical Service; and
- (iii) the Central Secretariat Stenographers Service.

Besides these, there are some supporting services, quasi-services and isolated posts to provide the various ancillary skills ranging from Statistical Assistants to Accountants and Store-keepers. In many cases, an attempt is made to meet the needs for these different skills from one of the above services. It is with reference to most of these positions that our earlier observations regarding the concept of position classification in personnel management are specially important. We consider that repetitive functions performed at the lower levels can be classed into functional groups. Also at these levels, the number of employees is very large and providing promotion avenues becomes a difficult problem. This is sometimes done by *ad hoc* measures like increasing higher positions or upgrading the lower ones. Such steps do not solve the problem, they only postpone the issue. In this connection, the decision of the Second Pay Commission to amalgamate Grade II and Grade III posts of Superintendents in the Central Secretariat is noteworthy. This step made those who were frozen at the maximum of the lower grade happy for some time but this cadre is again facing the problem of incentives and pressure is being exerted for the creation of higher positions and for a larger share for this group in them. Similar may be the result if the persistent demand for abolishing the posts of UDCs, which is an intermediate position, between the LDC and the Assistant, is accepted.

What is, therefore, necessary is that positions are properly evaluated and more scales are introduced so that the system makes it possible to spot the brighter ones early and move them up quickly and thus build-in incentives in the structure itself. In the present structure, for example, there is no level between Assistants (Rs. 210—530) and Section Officer (Rs. 350—900), although the differential of pay at the maximum point is of the order of 70 per cent. The net result is that some persons occupying intermediary positions are either being overpaid if they are in SO's grade or being underpaid if they are in Assistant's grade. From this angle the amalgamation of the two grades of Section Officer was a step in the wrong direction. We, therefore, recommend that in the secretariat more levels of responsibility between LDC and SOs should be distinguished and structures suitably changed.

3.95 In cases where skills are measurable, a policy of recognising different levels of skills and paying for them should be adopted. We shall illustrate this principle by considering the very numerous class of typists. Whenever a typist increases his speed to a normal level of 40 w.p.m., he should be straight-away granted a special pay of, say, Rs. 15.00 p.m. and so on for every improvement of 10 w.p.m. in his speed. The maximum special pay may be Rs. 60.00. In other words, this opens up the possibility that, by increasing his own efficiency, a typist at his own level can retire at Rs. 240.00 p.m. rather than at Rs. 180.00 p.m. as at present. Many good intentions in government get malformed in the course of implementation and the final result is very often hardly comparable with what was originally intended. This appears to have happened with the institution of over-time allowance. It should, however, be possible to devise suitable measures for preventing any abuse of this approach. Thus, annual tests could be held to ensure that proficiency continues to be maintained. Further, the supervising officer can have the authority to check a particular person's speed at any time at his discretion. And, last, the present practice of standard out-turns can be suitably altered to incorporate different levels of typing speed. In any case, we find no justification for a system in which a person who starts with a speed of 30 w.p.m. is more or less assumed to do no better than continue at that level for the rest of his service. We understand that the overtime provisions have been, to some extent, misused by assigning to a typist a notional number of hours of work obtained by dividing his total output by the standard out-turn and paying him overtime, even though he may actually have finished the work in normal hours. There is no need for our having to close our eyes to such subterfuges. A straight forward approach in which efficiency is recognised and rewarded would, in our view, be much better from many points of view.

3.96 The other important point that we wish to emphasise is that supporting services should stay as supporting services and procedures or practices should not, as a matter of course, provide for promotion to levels or positions for which they were never intended. A clerk becoming an Assistant and, in due course, ending up as a Deputy Secretary is some thing which no personnel policy can really envisage as

normal or desirable. We agree, that, even among clerks, there would be able men and we, therefore, would most readily agree that there be, say, two grades in the Clerical Service itself and also possibilities of promotion to supervisory levels connected with jobs like supervising the typists' pool, supervising stationery issues and organising stationery supplies etc. Slightly higher pay scales could also be provided for these levels. Further, for outstanding men, who are really misfits at these levels, special opportunities should be provided for proving themselves and for moving upwards.

3.97 Lastly, we would like to take note of the decentralisation scheme of the lower two grades of the Central Secretariat Service. To start with in all the grades of the Central Secretariat Service there was a single cadre for the entire Central Government secretariat. The Ministry of Home Affairs have now divided the two lower grades—Assistants and Section Officers—of this service for operational reasons into ministry-wise cadres—though for the purposes of promotion to Grade I of the Central Secretariat Service, the field of choice consists of all officers in the Section Officers' grade in all sub-cadres. It is said that this had led to unequal chances of promotion for Assistants to the Section Officers' grade. We have stressed elsewhere the point that arithmetical equality in promotions is impossible and the main consideration in cadre management has to be the dictates of organisational need. We consider that the ministry-wise sub-division of the service is a step in the right direction. However, the varying sizes of different ministries may be taken into account in constituting these sub-cadres instead of applying the rule of thumb of "one ministry, one cadre". For the purposes of managing the Central Secretariat Service, the ministries should be so grouped as to make these sub-cadres comparable in size. The grouping should be on a functional basis, ministries basically concerned with similar functions being grouped together.

#### *Interchange between Central and State Services*

3.98 There is quite often some interchange of personnel as between States and the Centre in the same departments. This interchange is, however, not organised and systematic and the personnel flow is usually *ad hoc* either on a deputation basis, or, in rare cases, through normal course of recruitment, through the UPSC when direct recruitment is held for some categories of posts. It seems to us that the time has come for a systematic review of these personnel flows.

3.99 We are of the view that wherever possible, Central cadre should provide for a fair share of recruitment from personnel serving in State cadres in corresponding specialities. At the present moment, the levels to which even very able men in the States can rise, even though the highest available in the States, are really not comparable in terms of emoluments, prestige and status with those obtaining at the Centre. This is so because, on the one hand, State resources are limited and, on the other, the volume of departmental responsibility does not admit



of the provision of a reasonable number of top level posts comparable to such posts at the Centre. It can be argued that the logical effect of our recommendation can only be the ultimate creation of an All India Service. We would certainly welcome any such development but there is an intermediate stage between an All India Service at the one extreme and completely isolated Central and State cadres on the other. In this intermediate stage, Central cadres would provide for appropriate shares of recruitment from State cadres resulting in the final placement of such selected personnel in the Central cadres (meaning technically thereby the termination of their liens in the State cadres with, of course, their services being duly counted for the determination of seniority, pay, etc. at the Centre). In some Central Services, owing to rapid expansion, a tendency has been afoot, for some time, to promote relatively inexperienced personnel without tapping the considerable talent that the corresponding State departments contain. The very much better prospects that this possibility opens up will definitely improve the quality of the entrant into the corresponding State cadres. We will have occasion, elsewhere in the report, to observe that, in public administration, the rich (*i.e.*, the Centre) has been becoming richer and the poor (*i.e.*, the States) have been becoming poorer for the last 10—15 years. The measure that we have just suggested would go some way towards the narrowing of this disparity.

We, therefore, recommend that :

- (i) A review of recruitment rules of those Central Services which have a functional counterpart in States should be immediately undertaken ; and
- (ii) Provision for lateral entry, if necessary, at levels higher than the lowest entry points may be made indicating also the appropriate selection method in each case.

#### (iii) *State Services*

3.100 The problems of State Services and principles governing their constitution are similar to those of the Central Services and it is not necessary for us to spell them out separately. Many of the problems will be solved if general recommendations, like basic uniformity of pay structures, reinforcement of personnel systems by modern concepts of position classification, etc., are accepted. Our earlier recommendation for a regular channel of flow of personnel from State Services to appropriate Central Services will also help in establishing an organic link benefiting both the Centre and the State Services.

3.101 We have considered the problem of Class II Services in the Centre in a previous section. The proportion of Class II in senior services in States appears to be much larger. Super-imposition of all India Services structures in some fields makes the difference between Class II State services and corresponding Class I All India Service much more striking than in the structure of a Central department. With

the emergence of more All India services this phenomenon will extend to other fields. Yet we feel that the problem of Class II services in States has not received systematic attention. We will take the more familiar example of State Civil Services.

3.102 There are widely different conditions of employment of these services in various States, hence no generalisation will be equally applicable to all of them. However, one thing appears, more or less, to be common. In keeping with our observation about traditional departments being neglected, the State Civil services provide a striking example of such neglect and are no exception to the rule. In States like Maharashtra and Madhya Pradesh, State Civil Service officers throughout their career are supposed to be in the scales of Rs. 350—900 and Rs. 300—850, respectively. In Maharashtra, the junior-most officer who has been promoted from the Civil Service to the IAS has put in about 25 years' service (annexure 3(5)). Thus, the brightest amongst them would have to be content with a running scale without any prospects of promotion for 25 years. This is in spite of the fact that the IAS has expanded fast during this period providing more opportunities of promotion than could have been available in a normal situation. We are not entering any special plea for State Services as according to us, the normal level of entry should, in most cases, be the career grade. In the case of traditional services, however, the perspective has been distorted by phenomenal growth and opportunities in other departments which have given rise to a general atmosphere of high expectancy. It is within this frame that the position of a group of services, which once were amongst the most coveted and still carry heavy responsibilities, has become anomalous.

3.103 Some States have, however, introduced one or two selection grades in these services, but in most cases, this has been done more with a view to provide promotion opportunities to these service officers on an *ad hoc* basis rather than on the basis of functional need objectively established. For example, there is no recognised level of responsibility between State Civil Services (Standard Class II) and the senior scale of the Indian Administrative Service in some states. The mean difference between the two scales is about 100 per cent, maximum in the case of some State Services scales being Rs.850 only as against the maximum of Rs. 1,800 in the IAS. If the principles of scientific personnel management are applied, there is bound to be a large number of positions carrying responsibilities which would not require an IAS officer, but would need a senior State Civil Service officer. If these positions are grouped, the case for selection or higher grade will arise from actual functional requirements rather than from the need for merely creating promotion opportunities. We recommend that the gradation of positions in different specialities should be so arranged that levels of responsibilities intermediate between Class II positions and senior Class I positions are distinguished and an appropriate grade attached to those positions. For example, in general administration, we consider that an intermediate scale of Rs. 700—1,250 or some similar scale, in keeping with the general pay structure in the respective States, may be interposed

between the present State Civil Service scale of Rs. 350—900 and the senior IAS scale of Rs. 900—1,800. This suggestion is in the context of the prevailing pay structures; if there is a general stepping down of pay scales as a result of our suggestion in a later chapter, these scales would also require proportionate reduction. This will result in a personnel structure built on objective criteria, give a better deal to State Services and relieve pressures on the All India Services. A similar examination should also be made of other services including the Police and technical departments.

3.104 In spite of the fact that the scheme for manning the Central Secretariat positions provides for deputation of State Civil Service officers, only those who are in the select list of the IAS are posted and even their number is very small. This deprives the Central Government of the benefit of valuable field experience of a very large number of personnel of high quality. We recommend, that, for the posts of Under Secretaries, State Civil Service Officers who may have put in about 10 years' service, should be considered. Their drafting into the ministries dealing with general administration and welfare subjects could be useful both to the Central Government insofar as they would be benefiting by their field experience and to the officers insofar as they will be taking back with them a wider experience at higher level. Officers from other State Services with similar experience should also be drafted to appropriate ministries as Under Secretaries.

#### *(iv) Services at District level*

3.105 The question of staffing of non-developmental government departments at the district level is covered by our earlier discussion of staffing of technical and specialist departments. However, in view of the introduction of a new tier of representative government, the question of personnel in developmental departments needs fresh examination. We consider that the requirements of Zila Parishads and Panchayat Samitis for the officers of Class I and Class II categories are not likely to be large enough to justify creation of separate cadres and, therefore, feel that in the foreseeable future, these bodies will have to depend on State Services for their requirements of Class I and Class II officers in various specialisations. These positions in Class I & Class II for which these bodies are to depend on States cadres, whether technical or otherwise, should be included in appropriate cadres so as to obviate any difficulty about placement and availability of suitable officers.

3.106 At Class III and Class IV levels, patterns in the various States that have introduced Panchayati Raj differ in important respects. It can be said that still they are in the experimental stages. In Maharashtra, there are three services at the district level, namely, the District Technical Service (Class II), District Service (Class III) and the District Service (Class IV). As against this, the Gujarat Panchayat Act, 1961, provides for the creation of a Panchayat Service for the entire State. We feel that in view of a large variety of specialities which may have to be catered

for, each of which may have its own special problems in the matter of size, internal structure, regional interchangeability etc., a completely uniform pattern for all of them may not be possible. Moreover, there may be differences from State to State in view of their geographical area, other socio-economic factors like the presence of sizeable tribal areas etc. The various principles enunciated by us for cadre management in the following chapter should be kept in view while forming these services. The concept of cadre management, however, should be different for the extension field from that for regulatory functions. The fact of extension activities being area oriented has also to be kept in view for operational purposes while determining cadre structures.

3.107 It will not be desirable for the present to make Zila Parishads and Panchayat Samitis completely autonomous so far as their personnel is concerned. There is likelihood of strong political pressures being exerted in appointments, promotions and transfer. The earliest experiments in certain States have amply shown that this is not only a probability but a distinct possibility. The possibility of the changing political complexion of these bodies will necessitate permanent services at these lower levels as well such that their loyalties transcend narrow affiliations to those in power at a given moment. All arguments put forward for and against the All India Services at the national level are equally applicable at the State level in relation to services in Zila Parishads and Panchayat Samities. Services under Zila Parishads and Panchayat Samities should, therefore, be built on the same pattern in States as the All India Services at the Union level. The individuals working under Zila Parishad or Panchayat Samiti should be fully responsible to those organisations, though the final control, as distinguished from operational control, should vest in the State Government.

3.108 We, therefore, recommend that an Extension Service in Class III in each of the specialities should be constituted on a State-wide basis. The service may be termed as Panchayat Service (Extension) Class III. These services may be broken up, where necessary, into a number of sub-cadres which may be district-based or division-based as may perhaps be necessary in the case of Agricultural extension in view of the large number of officers required in this speciality. In some cases, however, a State Cadre may be useful, for example, in the case of social education organisers. For the purposes of promotion within Class III, these services may be grouped on a divisional basis as is the case in a number of other departmental organisations, for example the Revenue Naib-Tahsildars and P. W. D. Overseers. For the purposes of promotion to Class II State Services, however, all those in the highest grades in Class III in the appropriate extension services should be made eligible.

3.109 In accordance with our recommendation for a scientific pay policy, we feel that there should be uniformity of scales throughout each State and there should be no difficulty in creating regular channels of promotion from Class III to Class II. We also recommend that,

for purposes of promotion, the Panchayat Samiti Service should be treated on par with service under government. Promotion quotas to Class II services should be fixed on the basis of the respective strengths in corresponding grades in the Panchayat Samiti Service and Government service proper. Regarding disciplinary control, we recommend that the State Government should continue to exercise all disciplinary powers in respect of Class I and Class II services. The Chief Executive Officer of Zila Parishad should be vested with all disciplinary powers in respect of Class III Services. For minor penalties, the Executive Officer of the Panchayat Samities should be given the powers in respect of these services.

3.110 Class IV staff should be appointed by the Zila Parishad or the Panchayat Samiti, as the case may be, and the Chief Executive Officer in each case should have all powers of recruitment, appointment and disciplinary control.



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### III

## STAFFING OF THE HIGHER POSITIONS

### *Introduction*

3.111 In procedural terms, the administrative process has at least three aspects. First, the desire to avoid inconsistency with past action, wherever possible, requires a memory function to be performed by the personnel unit. Second, there is a 'consideration' or 'examination' function which is that all currently relevant factors should be indicated and the possible alternatives explained. Quite often, this function also includes a suggestion that a particular kind of decision be taken. Third, and the last, there is the function of policy formulation and decision-making.

3.112 Hierarchical levels are characteristic not only of personnel within a department, but also of departments themselves. Thus, the secretariat is the top policy-making body of which the political executive is the most important part. At the 'lowest' level, we have field administrations. These field administrations may be territorial units, like the district, or could be departments ranging vertically downwards from the headquarters to the smallest (necessary) territorial unit. Therefore, a personnel policy has got to provide for at least three broad kinds in organisational terms for the secretariat at the policy making level, for functional departments at the executive level and for integrating administrations at territorial levels.

3.113 However, personnel differentiation on the basis of function (memory function, consideration function and decision-making function) varies very widely from organisational level to organisational level. In the secretariat, where deliberative aspects are of the greatest importance, personnel differentiation of this kind takes place to a considerable extent. On the other extreme, if we descend to the level of an Executive Engineer or an Assistant Engineer, personnel differentiation of the secretariat type is obviously unnecessary. It can be said that, at these levels, functions are purely executive, which require all the three functions to be performed by the same individual. Between these two extremes one can find different combinations of 'deliberation' and 'execution' requiring different degrees of functional differentiation.

3.114 For the purposes of our discussion, we take consideration levels to comprise positions of Deputy Secretary and Under Secretary in the Central Government, the former being referred to as the upper consideration level and the latter as the lower consideration level. The policy formulation or decision-making levels are position of Joint Secretary and above, Joint Secretary being the lower policy formulation level and higher position the higher policy formulation level. The

same broad classification may apply to State Secretariats. In executive departments the position is different. It is the senior scale and the junior administrative position (equivalent to Under Secretaries and Deputy Secretaries respectively) which are termed as higher positions. It is only the upper of these two that incorporates some elements of 'consideration' and 'policy formulation' in addition to direct execution although, as earlier stated, such a differentiation is not strictly tenable.

3.115 The issue we wish to examine here is the manner in which each service or cadre develops the personnel required for higher level functions—like consideration and decision-making. In some Class I Services the assumption is made that the entry at the junior level is primarily for training purposes intended to feed the higher positions in that class which are really the actual responsibility levels. From amongst these, in due course, are selected those who will occupy the consideration and decision making levels. In some services, entry at the junior level is for functional purposes in the sense that in the service there is an actually responsibility level available in junior Class I. Entrants at junior Class I generally move on to higher positions in due course.

3.116 In departments with one principal functional group, like, say, the Audit Department or the Incometax Department, the same group continues to provide personnel for the highest positions as well. Where there is more than one functional group, each such group is independent upto a pre-determined level which varies according to its role in the organisation. These groups merge in a super-structure which may be termed the 'policy-formulation level', whereto officers from all the sub-systems can move. For example, in the Railways, there are a number of independent cadres like those of Civil Engineers, Telecommunications Engineers, Mechanical Engineers etc. The staff positions in the Railway Board and the top management positions in each of the Railways are open to personnel from all these units. Sometimes, proportions to be drawn from individual units may be fixed; but generally the policy is to look for the most suitable persons from all sub-systems.

3.117 Most of the personnel units admit entry at middle and higher levels on a tenure or, sometimes, on a permanent basis from other personnel units in the same functional group or from some multi-functional personnel units; the interchange between different accounts services or deputation appointments of State Government officials to Central Government bodies or the induction of personnel from scientific organisations into Government at higher levels are examples of this interchange. Its volume, however, varies considerably in individual cases depending on a number of factors.

3.118 Not all first entry, however, is into purely functional departments. The Indian Administrative Service is an example of lateral entry on a regular basis into Government at the highest level. Some

other scattered points of regular lateral entry are also grouped into specialist services like the Indian Economic Service which mans generally the middle levels. Members of these services can also move to higher positions though not by virtue of belonging to that service, but being adjudged suitable on their individual merits. Besides some exchange among different personnel units noted above, there are also some high level posts, like those of advisers or specialists, where lateral entry is made on an *ad hoc* basis. Generally these are 'supportive' to policy formulation, or staff-posts at the highest levels rather than actual policy formulation positions. Lateral entry (and, *a fortiori*, first entry), thus, does affect the highest decision-making levels.

3.119 The highest decision-making levels in technical and specialised departments are usually held by officers belonging to the services which man those departments. However, there are 'generalist' departments and departments whose 'specialist' nature is still embryonic. There are also departments in which it is administrative leadership that matters rather than mere expertise—even though the latter is certainly important at various 'consideration' stages and even at some of the higher levels also. These departments generally are manned at the highest levels by IAS officers.

3.120 Many of the posts at the highest decision-making levels are, however, to be found in the State and Central Secretariats. There is a misapprehension about the practice of manning these posts which needs to be cleared. So far as we have been able to discover, there is no rule or regulation which creates a monopoly of these posts for any particular service or cadre. In fact, at the Centre, higher posts are not specifically included by name in the "authorised strength" of any service. The scheme at present in force for staffing senior administrative posts of and above the rank of Deputy Secretary under the Government of India is reproduced as appendix to this chapter. [Annexure 3(4)]

3.121 The sources mentioned in the scheme can be broadly divided into two classes :

- (i) government services; and
- (ii) quasi-government services and the open market.

As the second class necessarily provides personnel on an *ad hoc* basis, no well defined pattern of intake seems to have been thought of. The first class, which provides a regular stream of officers to man these positions, therefore, assumes greater importance. This class can be further divided into four groups on the basis of the internal structure of various services. The internal structure of each service, in its turn, determines the formal point for entry of their officers into the secretariat. The chart below compares the internal structure of these four groups of services with the structure of the Central Secretariat and brings out clearly the levels of flow from each of these groups into the Central Secretariat.



*Chart showing the internal structure of groups of senior services and their relative positions with reference to secretariat positions in the Centre.*

Structure in the Central Secretariat	Structure of Service in			
	Group I	Group II	Group III	Group IV
350-900 (S.O.)	..	..	..	350-900
	400-1000£	400-950£	400-950	
900-1250 (U.S.)	900-1800*	400-1250** 700-1250	700-1250	700-1250
1100-1800 (D.S.)	900-1800***	1300-1600	1300-1600	1300-1600
2500-2750 (J.S.)	2500-2750	and higher	and higher	and higher

£denotes training grades.

\*This level is effective between 5th and 9th years of service only.

\*\*This level is reached in the 6th year of service.

\*\*\*This level is reached in the 10th year of service.

3.122 Thus,

*Group I.* The normal level of entry of the members of these services into the Secretariat is at the higher consideration level of Deputy Secretary. The period spent in the junior scale in States and at the lower consideration levels, if any, in the Centre is preparatory to assuming higher responsibilities for which the members of these Services are recruited. The examples are IAS and IFS;

*Group II.* The normal entry into the Secretariat is at the lower consideration level. The period spent in the first part of the combined time scale or, if there are two scales, in the junior, again, is preparatory to holding senior positions in the department itself. Thereafter these officers may move to lower consideration levels in the secretariat. The examples are Indian Audit and Accounts Service with a combined time scale and the Indian Railway Accounts Service with two distinct scales;

*Group III.* These services have junior Class I in their structure as a substantive level of responsibility. It is only those members of these services, who earn their first promotion in the department and enter senior Class I positions, that can be considered for the lower consideration level in the secretariat. The distinction between Group II and Group III is that in the former the junior positions are merely training positions whereas in the latter, they are substantive positions. Examples of these services are the Indian Economic Service and the Central Engineering Service.

*Group IV.* As in the case of Group III, officers belonging to this group of services can enter the lower of the two consideration levels only after getting promotion to a grade equivalent to senior class I in parent cadres. This may involve two promotions, one from Class II to Junior Class I and another from junior Class I to senior Class I or only one promotion from Class II to senior Class I direct. Thus, the chance of moving to the lower of the consideration levels in these cases is much smaller than for those in Group III.

3.123 To summarise, only services in Group I can move to the upper consideration level as a matter of course, as these positions are equivalent to their normal career grades. Services in Group II have to earn one promotion, those in Group III two promotions and those in Group IV, three or four promotions, as the case may be, to reach the upper consideration level. Similarly, at the lower consideration level, officers of services in Group I are posted, if at all, only for training while those in Group II move directly to these positions as they are equivalent to positions of their normal career grades. Those in Groups III and IV must earn one or two promotions before entering these levels.

3.124 As most of the services have been structured with a view to meeting the requirements of departments, the above discussion does not seek to judge the desirability of a given structural frame but only to present the factual pattern of relativity between the departmental and secretariat structures. If the internal structure of a service changes the same will be reflected in a new pattern of flow towards the secretariat from that service. Such dependence is inevitable in our system of secretariat staffing. The divergence in actual practice from the schematic flow shown above, like some services in Group II moving early to higher consideration levels and certain other services not contributing at all to the flow, is temporary and can be said to be an aberration of the normal situation. It should not be taken to affect, in any way, the broad conclusions arrived at in the preceding paragraphs.

3.125 A similar flow also obtains in the State Secretariats, the only difference being that the Central Services do not form a source of intake. Also, a larger proportion of secretariat positions in the States are manned by the I. A. S. group and most of them are encadred in the respective State cadres.

3.126 Examining the staffing scheme from another angle we find that out of the six sources mentioned in the scheme, the last—i.e., State Civil Service Officers—is not *at present* very important. Among the other five, three [(a), (b) and (e)] are “tenure deputation” sources and two [(c) and (d)] are non-tenure sources. There are three broad principles which underlie this scheme :—

- (i) A large part of senior administrative manpower at the Centre should consist of officers with field experience of the kind that the I.A.S. provides or executive experience in various departments as in the case of the Central Services, Class I ;

- (ii) Another part is provided by, more or less, a permanent group consisting of selected officers of the Central Administrative Pool which is built up from substantially the same sources as in (i) but there is also a provision for the recruitment of persons with specialised qualifications directly from the open market ;
- (iii) A small part at the Deputy Secretary level is provided by a permanent group consisting of selection grade officers of the Central Secretariat Service. There is a fixed authorised strength of 45 in the C. S. S. cadre for this purpose.

3.127 Conceptually, the scheme incorporates all possible elements necessary for manning higher positions and no improvement on that plane is possible. However, in actual operation, it has deviated considerably from its basic purpose and intent, if our reading of the scheme is correct. This, according to us, is that (i) every position should be manned, by and large, from Government services, keeping in view the suitability of officers for a group of positions depending on the work experience provided for by each service and (ii) there is room for consideration of outsiders as well in appropriate cases on an *ad hoc* basis or, if necessary, even as a measure of regular induction in certain fields. Because of the lack of (a) perspective personnel planning, (b) appropriate career development programmes, (c) appreciation in clear terms of the requirements at different levels, or may be, in some cases, as a result of pressure of interest groups, the operation is very much off the mark. In particular,

- (i) even though "Central Services, Class I" mentioned in (a) of para 2 of the scheme include technical services it appears that they are very rarely considered;
- (ii) even though the Central Administrative Pool provides for the lateral entry of "persons with specialised qualifications", we are not aware of any *systematic* approach in force for their induction; and
- (iii) the requirements of professionalism and expertise have not been provided for; the induction of officers of specialist services has been more by virtue of their belonging to a Class I service and having a sort of claim to Secretariat positions rather than as a result of a purposive policy of determining their suitability for specific positions on the basis of their specialist experience in parent departments. Thus a worse type of "generalism" is developing where the only requirements to occupy a senior position are belonging to any Class I service and having put in a specific number of years ; previous experience is being rendered completely irrelevant for secretariat postings. An officer with a background of Income-tax may be placed in the manpower branch and an audit service officer in agriculture.

3.128 The result is that the scheme has come to be one in the nature of being a permissive provision for the utilisation of such manpower resources as are available, both within and outside the public service. The problem, therefore, is how the principles implicit in the scheme, should be made operationally effective.

3.129 Before examining some of the suggestions in this regard, we may note that salaries of secretariat positions in Government of India, as compared to field positions, are considerably higher. This fact tends to distort the perspective of secretariat posts and the secretariat-field relationship is generally viewed as a superior-subordinate relationship. Consequently, attention is immediately fixed on the incumbents of the two positions, their respective status and cadres etc., the skill requirements of the two positions are relegated to a secondary position or are just ignored. The wrong assumptions underlying the supposed relationship go unquestioned. As a logical corollary to this, it is asserted that only departmental persons should hold "higher" positions in secretariat. We see no reason why the salary structure, as it obtains at present, should continue indefinitely and field positions be considered lower in status. In State Governments, in many cases, secretariat positions are lower in salary than many of the field positions and a similar structure, depending on the circumstances of each case, can be visualised at the Centre as well. We consider that, if relations between the Secretariat and field are necessarily functional, no possible superiority should be, or, can be, assigned to one function over another. If this basic principle is accepted, many of the issues agitating the services and affecting staffing of higher positions will be automatically solved. We agree with the observation of a Chief Secretary\*:

"A departmental head or executive, who knows his job and what he wants does not need to ask the question as to whether the Secretariat performs the superior function or the man in the field. He asks questions relating to a hold up in his work for want of Secretariat functioning, and such questions have to be answered, and cannot be evaded..... That secretariat-field relations can and must only be comprehended, on this issue of superiority, by a realization that they are functional, not hierarchical, except within each and independently of the other, and except to the extent that order and efficiency require the subordination of person to system so as to achieve approved programmes of action."

3.130 This distortion of perspective with respect to personnel problems at the policy formulation levels has resulted in claims being pressed by various interested groups; yet no serious attempt has been made to spell out the implications of these suggestions, either in terms of the operational details or in terms of exact functional requirements and steps necessary to match these requirements.

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\*E. N. Mangat Rai, The Secretariat-Field Relationship, The Indian Journal of Public Administration Vol. XII, No. 3, pp. 411-412.

### *A Unified Civil Service*

3.131 A unified civil service has been suggested from time to time, though very rarely has its composition or coverage been spelled out. There are two basic ideas put forward in this respect : (i) at the junior class I level, there should be, as far as possible, one common recruitment for all services, generalist or specialist ; or (ii) there should be a second selection for the higher positions (Deputy Secretary and higher levels in Secretariat and equivalent levels in departments) from all Class I services in the latter part of the first half of these officers' careers. This may either be on the basis of a common competitive examination or by some other method.

3.132 Suggestions regarding the coverage of this unified civil service have also been various: sometimes all higher Central as well as State Government positions are proposed to be included, while sometimes its scope is sought to be limited to the Central Government only. In the latter case each State may have its own scheme for its superior services; an extreme view is that the Centre may provide personnel for higher positions in State Governments on a reverse deputation basis.

3.133 In terms of functional coverage, again, there are three views :

- (i) such a unified civil service should cover only the higher level positions in the Secretariat ;
- (ii) this should cover all higher positions in the Secretariat as well as in the departments. It is said that this suggestion would bring back the old I. C. S. pattern of staffing where one service provides personnel for all senior positions in Government; or
- (iii) this service should provide personnel for what may be termed as *staff positions*, both in departments as well as in secretariats.

### *A Unified Civil service for Government of India and State Governments*

3.134 Thus, the concept of a unified civil service varies from one omnibus senior service covering secretariat and departments, both at the Centre and in the States, to the other extreme where it may cover only a few hundred senior positions in the secretariat of the Government of India. It appears that the former suggestion is an attempt to take to its logical conclusion the basic argument for higher positions in Government of India. We do not think that any personnel structure can justifiably or seriously contemplate such a coverage. The analogy of the I. C. S. is completely out of place in the new context.

### *A Unified Civil Service for the Central Government alone*

3.135 Similarly, we do not consider that one service embracing all senior positions in the entire Government of India is feasible. Even the suggestion of clubbing staff functions together as one functional group, ignores the fact that the staff functions in a modern government are of such a vast variety that really no appreciable inter-changeability between different sub-groups under the broad head "staff functions"

is possible. Staff assistance, at the one end, may involve expertise in statistics or systems analysis, while on the other, personnel or financial management. Also line and staff functions in functional departments are so intermingled in the departmental structure that it is impossible to designate most of the higher positions either as purely staff positions or as purely line positions. And the tendency towards specialisation in modern governmental administration renders necessary detailed knowledge of line functions for adequate performance of the staff functions. Similar observations apply to the personnel set-up at the State level.

3.136 Such a service will also make the exchange of experience, both between State Governments and Central Government and between field and secretariat, difficult in view of the fact that most of the field positions are in State Governments.

*A Unified Civil Service to cover higher positions in the Central Secretariat and State Secretariats.*

3.137 This scheme will involve complete inter-changeability between the Centre and States, on the one hand, and also between different State Governments on the other. Further, it presumes that positions in the State secretariats can be held without an intimate knowledge of local conditions in general and of the administrative back-ground relating to a State Government, in particular. We do not think that these two presumptions are correct. For operational feasibility, therefore, such a service will have to be broken into State cadres on the pattern of the I. A. S. The utility of those entering this service from non-State service groups will be doubtful in the case of postings to State Governments which should include the bulk of those posts. There will be no built-in provision for the exchange of experience between departments and secretariat, on the one hand, and between field and secretariat, on the other. We do not, therefore, consider that such a scheme is even practicable.

*A Unified Civil Service for Positions in the Central Secretariat*

3.138 As this is the most common form seriously suggested for adoption, we will examine it in somewhat greater detail. There are some obvious weak points in such a scheme which are sought to be made good by some constructive suggestions:

- (i) The argument that a self-contained secretarial group will lose touch with respective parent departments from which officers are drawn is met by suggesting a provision for reverse deputation of these officers to those departments ;
- (ii) The interchange between the States and the Centre is proposed to be maintained either by provision of a reverse deputation or by a provision requiring the I.A.S. and other All India Service Officers to move from Centre to States.

3.139 Such an arrangement is not likely to work satisfactorily because :

- (a) a secretariat based cadre is likely to resist moving out of the Secretariat and the interest groups in the departments as well as in the State will resist their coming back as they will jeopardise the chances of local persons. To some extent, it can be said that these persons will be *persona non grata* in their own parent cadres. Even otherwise, there is resistance against moving away from Delhi although the cadres at present are department based and State based ;
- (b) the exchange specially between States and the Centre will be limited to a very small number of officers since the posts in the States at these levels are bound to be very large in comparison with those at the Centre. Therefore one basic requirement, namely, a wider outlook in the State machinery, which is ultimately the executive limb of the Central Government, will not be satisfied ; and
- (c) the superior positions in the Government of India cannot by themselves be considered to be a homogeneous group. There are a number of professional sub-groups. The higher positions in the Centre will be much too small to allow for a professionally oriented division of the service into identifiable groups. The need, therefore, can be met only from departmental specialist cadres which, within themselves, should make provision for personnel at various levels in the secretariat.

3.140 Even if, for the sake of argument, it is considered that the above difficulties are not insurmountable there are certain other basic presumptions which the constitution of such a service makes which need examination.

#### PRESUMPTION I

*That the previous experience in the various services is equally relevant to all higher positions in Government*

3.141 This will mean that experience, before selection in the early middle career, in positions ranging from a research post in a highly specialised field to police duties in a district, is equally useful for higher positions in Government. In other words, no previous experience is relevant at consideration and policy formulation levels. We do not agree with this proposition. As we will see, special experience is required for positions at policy formulation and consideration levels.

#### PRESUMPTION II

*That it is possible to have a relative assessment of potentialities, capabilities and working experience of all Class I officers in the States and at the Centre*

3.142 Comparison of work experience is possible in the same professional group for the purposes of assessing suitability for specific

higher positions, but comparability of such a vast variety of professional experience for an unrelated and general field is unthinkable. The example quoted in support of this proposition, generally, is that of the armed forces. We do not think that the functional variety and structural complexity found in the armed forces is even remotely comparable to that in Government. In spite of their rather simple organisational structure, there is a sort of understanding about the proportion of places in the Staff College for various groups. Such proportional representation is sometimes even suggested for higher posts in Government. The Estimates Committee, in their 52nd Report, appear to have been thinking on similar lines when they observed :

"The selection of officers of the pool from the All India Services and Central Services Class I may be made keeping in view their respective strength so that there is a fair representation of all the services in the higher posts of the Central Government and no single service monopolises the top posts under the Central Government."

3.143 In this statement itself some presumptions about (i) the irrelevance of previous experience, (ii) the structural uniformity of all services have been made. The only important factor appears to be the numerical strength. We have no hesitation in saying that the principle of proportional representation in a Pool (or cadre) of vital posts in the country's administrative structure is extremely dangerous and we are strongly in disagreement with this. The only basis for selection should be obviously ability and experience. There can be no question of ignoring these criteria and filling the positions on a quota basis, ignoring the fact that, both in terms of the entry level and in terms of the kind of administrative experience gained, these services differ extremely widely. The qualities necessary to hold high level positions would not be developed uniformly in all services. It is difficult for us to imagine how an I.A.S. officer who, in a total period of some 16 or 17 years, may have spent a fair amount of time in district administration and a fair amount of time also in considering, and deciding, at fairly high levels in State Governments and departments on the policies that administration should follow can be equated with another officer the major part of whose career may have been spent in the discharge of responsibilities which cannot be called either "executive" or "high-level".

### PRESUMPTION III

*That Governmental services by themselves will provide all expertise for higher positions in the secretariat*

3.144 Expertise in certain fields may be found only outside government in universities and commercial enterprises and, sometimes, even the private sector may have to be tapped. We do not think that the same selection procedure can cover both Government services and personnel in the quasi-government sector.



#### PRESUMPTION IV

*That it is desirable to recruit for as many services as possible by the same competitive examination*

3.145 We may recall here our classification of departments into technical, specialist and generalist departments and our drawing attention to their changing character in terms of the degree of specialisation. This necessarily leads to changes in skill requirements of the cadres manning them. Now is the time when the whole question whether even the present competitive examination for the I.A.S. and other central services can really cater to some of the specialist services should be examined. For example, it is suggested that the recruitment to the Indian Police Service should incorporate some of the elements of selection procedure for the army where factors like the candidates' physique and psychological qualities, tested by refined methods, are given considerable weight. A written examination may continue to assess their scholastic attainments. Similarly, perhaps for the other specialist services, examinations attuned to their requirements may be necessary. There is already a special examination for the Indian Statistical Service and the Indian Economic Service. The Indian Forest Service, probably, will follow the pattern evolved in a number of States where a certain minimum physical standard is a pre-condition for taking the examination. Similarly, with the increasing facilities in university departments for specialisation in Accounts and related fields, it is for the U. P. S. C. and government to examine whether the broad category of Account Services should not be required to have a professional background for entry as in the case for the IES and the ISS. This is in accordance with our general thesis that, with the emergence of greater specialisation in Government services, examination schemes should be related to institutionally produced skills wherever available. We shall let the matter rest there as we are not directly concerned with it. But it seems to us clear that any suggestion for extending the scope of a common competitive examination is not in consonance with the likely trends in personnel needs.

#### PRESUMPTION V

*That there is structural uniformity in all Class I Services*

3.146 We have already seen in para 3.121 that Class I services can be grouped into three broad categories. This reflects the internal structure of different services and the normal levels of responsibility for which each cadre has been designed. So long as functional requirements determine service structures, the three broad groups in services based on position-valuation in different groups of activities is likely to persist. A complete uniformity is impossible to achieve in a modern administration of our size and complexity.

#### PRESUMPTION VI

*That competitive selection in midcareer is conducive to better contentment in services than in the beginning of their careers:*

3.147 So long as competition is fair, there is no particular merit in postponing the selection for higher positions, if ultimately another

competitive examination is to decide the issue. Perhaps, an examination at the beginning of careers, when all the aspirants have equal opportunities of competing, will be fairer than a common one for groups of persons working in extremely different situations; the peculiarities of the working conditions in each line are likely to be an important factor influencing the chances of success and thereby his entire future career. For example, a police officer busy in an operational area answerable for the difficult law and order situation may stand no chance at an examination in comparison with another who sits in a cosy corner of the secretariat and has limited work to do. We think that such a scheme will result in more dissatisfaction among the services because once the chance is lost it is lost for ever.

3.148 We have, therefore, come to the conclusion that a unified service suggested is neither feasible nor desirable in our administrative situation. Such a scheme ignores many important pre-requisites for a sound personnel policy and makes a number of presumptions, not necessarily valid, without explicitly stating them.

3.149 We also do not favour the other extreme suggestion of meeting the requirements of higher positions in the secretariat by officer belonging to the corresponding departments only without any arrangements for building up a specific group of higher civil servants for the following reasons:

- (i) There is no one—one correspondence between executive departments and secretariat departments. There may be more than one department under the same ministry or an appreciable part of the area of activity of a secretariat department may not be concerned with any specific department; the secretariat department may be dealing with wider public policy which may concern the private sector or the citizen directly. In the Central Government, some secretariat departments may depend on State Governments for the execution of their policies; for these units which do not have an executive counterpart, personnel for higher levels will have to be specially built up ;
- (ii) this scheme may have the effect of making the Central Government and State Governments separate water-tight administrative units without any organic link.

3.150 The above discussion should make it clear that the problem of staffing is so complex that a "formula" approach to these problems is not possible. Such approaches are inconsistent with the needs of dynamic administration. Personnel management authorities must be constantly alive to the changing situation and continuously review the fundamentals of personnel policy. The basic approach to the personnel policy at these levels has to be functional. Even here, no blueprints can be prepared for even a short span of time, as there is bound to be divergence between the real and the ideal.

*Specialist-Generalist Controversy*

3.151 Even the "generalist"—"specialist" controversy, which is essentially an articulation of the need for a functional approach to staffing, has been reduced to the level of a conflict between stereotyped "formulae". The claim that all ills can be cured if only the so-called "generalists" were removed from the scene and specialists, with any background whatsoever, replaced them is obviously naive. One possible basis for arriving at a valid conclusion could be our experience of the last 15 years or so. Is there any evidence to indicate conclusively that departments manned by appropriate specialists even at the highest level have generally fared better and that departments manned by non-specialists have fared worse? We realise that it is a loaded question and, even if we were to go in search of evidence, we would be presented only with a series of opinions and not a collection of incontrovertible facts. We wonder whether it is at all possible to avoid the conclusion that the most important factors contributing to success have been a high level of intellectual ability, a continuing awareness of developments in the modern world, an eagerness to benefit from experience, a willingness to undertake risks, wide-ranging experience, intimate knowledge of departmental administration and a strong determination to achieve desired results. It is impossible to pretend that even a specialist who stopped reading and learning after his student-days is better invariably than a person who has been wide awake and is more knowledgeable about the nature of modern problems. Dynamism is not a specialist monopoly and departments and projects have often fared much better under a single dynamic personality—specialist or non-specialist. We must face the fact squarely that knowledge is yet nowhere near providing readily suitable techniques for dealing with multi-dimensional dynamic situations. On the other hand, we should not be blind to the fact that even multidimensional situations can be grouped together into broad classes. Situations and problems can be identified as being broadly economic in character—or social or financial or industrial or whatever else they may be. We are committed in the public interest to provide them with properly selected and appropriately trained personnel. The controversy that continues to range between the so-called "specialist" and the so-called "generalist", is completely barren. The time has come for us to rise above the rather narrow range of this controversy and look at the overall situation.

3.152 Given the validity of our basic premise that the approach to personnel problems has to be functional, there are certain clear implications for policy. These are:

- (i) Each department has a specific task to perform for which it has its own internal personnel structure and special skill requirements. The primary objective, therefore, of different services and cadres for different groups of jobs is to ensure optimal development of the members of each service or cadre for performing normal jobs which they are expected to be doing,

by and large, for most of their careers. These cadres, however, should also develop some of their members, whose number will be small compared to the total cadre strength, to perform related functions in other departments or organisations;

- (ii) As an exception to (i) in our administrative system, there are certain groups of posts, which strictly do not form part of a specific functional group, located both at the Centre and in the States and also at the district level both under Zilla Parishads and in regulatory administration. A special cadre of officers has to be trained for this group of positions. We generally call this group a "generalist" cadre and this itself could be termed a speciality, developed not institutionally but on the job ;
- (iii) There is need for an organic link both between different tiers of government and between the field and the secretariat ;
- (iv) In the secretariat, in senior positions there are two identifiable levels, namely the policy formulation level and the consideration level. The requirements of these two levels in terms of experience, etc., are different, calling for different approaches.

3.153 We shall now deal with policy formulation and consideration levels separately in some detail.

#### *Requirements for Policy Formulation Levels*

3.154 (i) Field experience, on the one hand, and some experience in the formulation and management of policy at reasonably high level on the other, are vital for top positions in government. Also, the inculcation of a human approach, which is possible only through work-experience in positions very near the common man, is necessary. Intimate knowledge and experience of the problems of rural people concerning all facets of their economic and social life would also be necessary as national problems are, by and large, bound to be, in the last analysis, problems of the rural areas. Induction into both the spirit and the mechanics of objectivity through training and work-experience so as to enable those at higher levels to deal with conflicting interests objectively, appears to be necessary. It would be necessary that officers who, in accordance with a properly formulated personnel development scheme, are considered suitable to move to these positions and whose parent cadres do not provide, at present, as a matter of course, opportunities for comparable work experience, should be provided opportunities for working in similar positions in other departments or undertakings before they are considered eligible to hold these positions.

3.155 (ii) Persons meant for high level decision making cannot be wedded throughout their careers to single departments. This is so for obvious reasons :

- (a) At these levels, it is the variety of experience gained, on the one hand, by working in staff as well as in line functions and, on

the other, by working in different departments and positions which is important. Such experience helps the individuals to develop qualities of leadership and capacity to bring forth the best from the organisations he is supposed to command;

- (b) no organisation should be burdened with the incubus of a single personality for very long periods. Even in the case of technical men, a particular complex of preferences and attitudes gets embedded in a particular personality and an organisation under him is bound, in fair measure, to reflect this complex—with the result that branching out in new directions, accepting new challenges, becomes extremely difficult. Obviously, it cannot also be assumed that, over long periods, the unchanging value-complex of an individual will be consistent with the far more frequently changing pattern of organisational objectives;
- (c) changing political executives may also require flexibility in the deployment of personnel at high decision-making levels;
- (d) too long a tenure in the same job dulls the capacity of an individual; and
- (e) long stays in departments tend to increase opportunities for corruption.

Thus, at the highest levels, a fair amount of turn-over of personnel must be provided for.

#### *Requirements for Consideration Levels*

3.156 Personnel policy for policy formulation levels has some implications for personnel policy for consideration levels. Here also it is basically the functional requirements that must determine personnel policy. Considerations in para 3.154 above apply to the consideration levels as well, though with less force. Some of the considerations in para 3.155 also hold good for these levels. However, the most distinctive and important consideration for these levels is the requirement of greater specialisation and professionalism. The following are some special points which have to be kept in view for laying down personnel policies at consideration levels :

- (i) There is greater necessity for those in the middle levels to stay longer in departments. Longer standing, however, may not be confused with permanency;
- (ii) Personnel at these levels must necessarily have a detailed knowledge of the departments they are dealing with and a broader outlook than at the lower levels. This alone can enable them to indicate the various factors necessary for taking a decision. In some cases, this would need a professional or technical qualification. In some others, it may also require working experience in a particular field or speciality at high enough levels and in yet others long experience in dealing with a

particular group of subjects. In many situations, an appropriate blend of the three would be desirable. Thus, although no rigid prescriptions can be given, consideration levels should be subjected to much higher doses of specialisation;

- (iii) Personnel at these levels should have a fair amount of experience in the field. The bane of administration in our view has been the partial or complete absence of a realistic and informed outlook on the part of people in government who are required to take vital decisions on various plans and projects. Thus, not only is there a need for the infusion of specialist personnel but an even greater need for specialist personnel with field experience;
- (iv) A corollary to (iii) is that the number of posts in any particular speciality outside the department which controls the parent cadre of such specialists is likely to be quite small, which means the requirements at these levels have to be catered for by the parent cadre itself by providing adequate reserves and it would not be advisable to build separate cadres for these purposes outside of parent cadres.

3.157 Thus, the broad conclusion that seems valid to us is that the contemporary need is for the more purposive development of professionalism. By this we mean that we can no longer be satisfied with the development of a broad genus like, say, that of the professional civil servant; rather we must try and develop a professional economic administrator, a professional social administrator and so on. The base of this professionalism is not necessarily provided by a single speciality. For instance, professional industrial administrators the world over have been lawyers, economists, civil servants, engineers and—for all we know—even doctors. The only difficulty is that the kind of professionalism that we need to develop for public administration is not the usual kind of professionalism. It will be readily admitted on all hands that a man who lays down the policy on prices has to have some knowledge of the extent to which the administrative machinery as a whole is competent to administer price controls and commodity controls. He has also got to be aware of the extent to which, and the rapidity with which, the production of various commodities currently in short supply is likely to change. He will have to form his own judgement of the degree to which the policies being implemented by other ministries for the expansion of production are likely to be effective. He must also have a sympathetic awareness of the consequences of each course of action on our people, not as statistical entities in office files, but as living, responding human beings. This professionalism is not the same thing as that of a professional economist. Basically, the background of this professionalism has to be, in the initial stages, pervasive and comprehensive rather than narrow and restricted. It is of the greatest importance, therefore, to determine, from time to time, the broad fields in which professionalism should be developed for servicing the highest levels in public administration.

3.158 However, in view of the distinct requirements at the consideration and policy formulation levels, there will have to be distinct approaches for the manning of these two levels. The more important differences are that the consideration levels require a more specialist knowledge and a greater interchange between departments and the secretariat than the policy formulation levels. On the other hand, at policy formulation levels, there is greater need for wider experience, sympathetic understanding of conditions in the field and awareness of the total social dynamics. We proceed to outline the scheme of staffing at these levels.

### *Scheme of Staffing for Consideration Levels*

3.159 The following are some of the important points :

- (i) There should be an examination of the current duties attached to all posts at consideration levels. Excluding purely research posts, we think that such posts would include all posts above the level of a Section Officer up to and including, that of Deputy Secretary.
- (ii) The various jobs should be broadly grouped with reference to the question whether the basic requirement is an institutional speciality (like mathematics or engineering) or post-entry "specialist" experience (like audit and accounts or income-tax) or administrative skill, essentially in the high level tasks of management and integrative co-ordination.
- (iii) As sources of such personnel, the public undertakings should be considered amongst the most important. While there need be no earmarking, all the sources put together should be so managed as to meet outside needs of this kind.
- (iv) The authorities incharge of each parent cadre should draw up career development programmes on the lines suggested in the following chapter and make selection of persons with adequate experience of working at equivalent or corresponding levels who are likely to be suitable for these positions. The field of selection for these purposes will depend on the internal structure of each service. Thus, the four groups of services mentioned in para 3.121 should provide personnel to the lower or the higher of the two consideration levels but at different stages in their careers. Ordinarily, for the lower level those with approximately 5—10 years experience and for the higher level those with approximately 10 to 18 years of service should be inducted (lower limit being for Group I services and the higher for group III). For those in Group IV the period will be considerably longer.
- (v) Persons so selected should undergo a period of training in a suitable institution. This could be the National Academy of Administration or the Indian Institute of Public Administration or any other such organisation specialising either in the

training of administrative personnel or in the study of problems of public administration. The courses for this training should be very carefully designed. For, those meant for purely technical personnel will certainly have to be different from those meant for others and for specialist services different from those for the 'generalist' group.

- (vi) There should be a tenure of five years for officers in this category. These officers must go back to their parent departments and should not be allowed any other assignment outside their cadres before spending an equivalent period there so that they do not lack field experience by virtue of which they were initially considered suitable to hold posts at the consideration level. In the case of All India Service officers, this will mean an interchange between the Centre and the State.
- (vii) Where the Central Personnel Agency or other appropriate authority requires a particular person from a particular cadre for some post at the consideration level, his release should be automatically effected. Government may find it even desirable to impose a time limit within which such a release should be invariably effected. The implication of this recommendation would be that the controllers of parent cadres should have a well-thought out placement policy.

### *Policy Formulation Levels*

3.160 The movement of personnel as between departments and secretariat upto the consideration level, as envisaged above, should normally be horizontal. Consideration levels in the secretariat should not be treated as a means of providing promotion opportunities to personnel in various cadres. It is the experience which officers gain in a position of responsibility in their parent cadres that is relevant at those levels and the secretariat organisations must have the benefit of that experience. The position at the policy formulation level, however, is slightly different. Though basically we consider that the flow of personnel from equivalent grades in parent cadres (i.e. horizontal movement) would be ideal even at these levels, there may be some element of promotion (i.e., vertical movement) as well in certain circumstances.

3.161 We consider that the initial manpower base for this policy formulation level should include as many services or groups of posts as possible so that it is broad rather than narrow—subject, however, to two essential conditions, namely, that a fairly high level of intellectual ability is guaranteed and that requirements at these levels determined on objective considerations, are not stifled down by group interests, local pressures, etc. We may clearly state here that the extent to which a particular service or cadre would contribute to this base must be determined by the probability of a particular service throwing up the required quality of personnel, in short 'probability consideration',



which depends on the level of lateral entry and the type of work experience in that service. In concrete terms, Group I services, for whom the lower policy formulation level is only one level higher than the normal career grade and whose experience also lies in a similar field in lower governmental tiers, should naturally contribute continually to this base. "Above average" officers from this group can expect to move to these levels. Group II services, for whom these levels are two steps above the normal career grade, will contribute a lesser number and, perhaps, only "outstanding" persons from that group can aspire for those positions. The "Above average" from this group would end up at the upper consideration level earning one promotion in their career. Group III, which has a lower lateral entry point, will contribute a still smaller proportion and from Group IV only exceptionally bright persons will be able to work their way up through four stages of promotion. The terms 'above average', 'outstanding', etc. are relative and must be understood with reference to the normal standards in a particular group. We wish to be clear here that this is the inevitable result of structural differentiation and has to be accepted as a fact. We have, no doubt, in our mind that no service or cadre should be excluded and all persons must have an "equal" chance subject to the two conditions noted earlier. There can be no compromise on this count as the whole basis of personnel structure is these two basic considerations.

3.162 Once such a manpower base has been created, all members thereof must be put through courses of training specially designed for the particular professional field concerned. We would suggest that the selection must be preceded not only by training but also by the diversification of experience necessary for these levels. If finally selected, after assessment of performance in various assignments and successful completion of training courses, these persons should stick for the rest of their official careers to the fields of professionalism for which they were selected and trained. नयनमय नयन

3.163 This should, however, not be taken to mean that we have arrived at a unified civil service through another route. It will still be necessary for those belonging to specialist and professional services to go back to high-level field assignments though much less frequently and only in the earlier years of their tenure at policy formulation levels. Those belonging to the 'generalist' group will go back to the States to serve in the same professional group in a 'policy' assignment or a field assignment. Officers from specialist services should not have to go to hold posts in State Governments unless they are from "all-India" services.

3.164 In conclusion, we recommend that the mechanics of the process of development of high level personnel should be broadly as follows :

- (i) There should be a determination of the broad professional fields required for contemporary administration;

- (ii) This should be followed by a determination of *prima facie* eligibility of various services and cadres for each professional field;
- (iii) Taking into consideration the nature of the service and the kind of experience it has, the conditions of eligibility for consideration for these positions should be clearly laid down. The present rule of thumb of comparing only the years of allotment which are given only in the case of a few services should be done away with. Officers of all offices in a particular professional group having put in a minimum period at *comparable responsible levels* be considered eligible. This will automatically mean a progressively longer total period of service from Group I to Group IV services;
- (iv) The number of persons required in each particular professional field should be determined once every five years. The quinquennial determination should be formally reported upon by a committee whose common members will be the head of the Central Personnel Agency and the Home Secretary. The association of the Home Secretary is suggested because Centre-State relationships are likely to be of considerable relevance. Every committee should also include an outstanding expert connected with the professional field concerned. In the determination of the number of posts every five years, should be included not only the posts at the Centre, but also posts of the same kind in the State (and possibly local) administrations. With the States and local administrations playing progressively a more important role in the socio-economic development of the country, the bulk of the requirements in many of the professional fields is bound to be at those levels. Preoccupation in personnel matters with the Central Government levels should give way to a non-realistic approach and schemes should be drawn up for the entire country;
- (v) The selection should be in two stages. In each professional group, there should be a list of persons who are considered fit for promotion in their own cadre to a grade next higher than the grade equivalent to the upper consideration level. Out of these persons, another list comprising officers equal to double the likely number of positions arising in that professional group in the next three years should be prepared. These persons should be given substantive assignments in their own professional field but different from the normal run so as to put to test their capacities to hold positions similar to those for which they are being groomed. Thus, at any time, there will be a sufficient number of officers in different specialities who will be constantly observed by the Central Personnel Agency before they are finally considered. Final selection should be after at least a three-year assignment of the type described above;

- (vi) Each committee of selection should be headed by the Cabinet Secretary and should include as common members a representative of the Central Personnel Agency and an outstanding expert. Other members should be taken from the ministries concerned. As State Governments are also likely to be involved, they should also be suitably represented;
- (vii) A good deal of care should be given to the detailed formulation of courses of training and to the selection of institutions for imparting such training. Universities should be prominently associated with these training programmes; and
- (viii) After every five years thereafter, these officers should undergo refresher courses of 2-3 months' duration.

3.165 We do not claim to have spelt out all the various details of the mechanics of selection of high level talent. We have neither the time, nor, indeed, the competence. This is a time-consuming and laborious business; but at no stage should the difficulty of filling in the vast amount of detail into this broad frame be exaggerated to the extent of frustrating the process of personnel improvement itself. We trust that government will pay the very serious attention to this matter that it obviously deserves.

#### *Staffing in Advisory or Consultancy Organisations*

3.166 Earlier in the chapter we had made a three-fold division of departments with reference to the broad nature of the skills required. But, for examining the question of manning these departments, it is further necessary to classify them on the basis of their basic functional character. From this point of view, four broad categories emerge :

- (a) purely research organisations;
- (b) advisory or consultancy organisations;
- (c) executive organisations; and
- (d) others in which these elements are mixed up.

The Council of Scientific and Industrial Research with the various laboratories under it is an example of (a). The Directorate General of Technical Development is an example of (b). The Central Public Works Department or the All India Radio is an example of (c). The Planning Commission in its present form or the Indian Council of Agricultural Research is an example of (d). We concede that it will be extremely difficult, in practice, to compel conformity on the part of every organisation to one of the three pure types; all the same, it is often easy to determine the predominant character of its functions. In some cases, in the same organisation, units at different levels may belong to different types; thus, the Indian Council of Agricultural Research at the headquarters, or similarly, the Central Water and Power Commission,

is concerned with executive, advisory and research functions, whereas units at lower levels in these organisations are either wholly executive or wholly research organisations. Obviously, personnel structures must represent an effective combination of not merely the skills required, but also of functional requirements. A basic principle, which should be accepted without reservation, is that a permanent structure should be built up only in research or executive organisations with substantial budgets, or in consultancy or advisory organisations where the functions of consultancy or advice relate only to one speciality as, for instance, in the Ministry of Law. Where this condition is not satisfied, the general approach should be to depend for the required personnel on the major cadres concerned with the various specialities. The correctness of this approach follows from another consideration as well; namely, that personnel performing advisory functions can never be effective unless, from time to time, they regain intimate contact with conditions in the field. The present condition of the Directorate General of Technical Development in the Ministry of Industry illustrates our point.

3.167 The Directorate General is (i) a technical adviser to the Government of India on all industrial matters, (ii) a technical consultant to the Public Sector Undertakings and autonomous and statutory organisations, (iii) a consultant to industrial units in private sectors, and is also responsible for planning and development of industries, collection, collation and dissemination of technical and industrial data, etc. Thus, in view of its role as the highest technical consultant to the entire nation, its structure must answer that requirement. A recent study by a team headed by Shri H. C. Mathur on the Directorate General of Technical Development, brings out that unfortunately it is true, as in most government organisations, that the range of administrative problems falling under the ambit of 'personnel administration' have not received the kind of systematic and planned attention that they deserve. This is particularly the case where organisations come into being as a result of some need and the change in the general setting requires almost a continuous review. It has been admitted in the study that the growth of Directorate General of Technical Development had been so rapid that planning for personnel needs had always not been possible. We may, however, emphasise at this point that, in our view, in case the personnel needs of an organisation cannot be properly met, it would be better to do without such an organisation rather than starting it and thereafter being saddled with personnel unsuited to requirements. We are not advocating some sort of perfectionism but we are stressing the need for a very careful analysis of the problem.

3.167-A The Mathur Team admitted that an *ad hoc* study of the kind undertaken by them was not enough and suggested a systematic and planned approach on a continuing basis. We agree with this suggestion but would add that the broad frame has to be provided by a body which can have an overall view of the situation and whose outlook is not limited by the necessary compulsions of one who sees the problem from inside or within a very narrow frame. Such a service has

to be provided by the U. P. S. C. or the C. P. A. We discuss below some of the general points which have emerged from a study of the Personnel in the D. G. T. D. and some other organisations.

3.168 An analysis of the source of recruitment and the level of first entry in the D. G. T. D. shows that none of the eleven Industrial Advisers joined the organisation in that grade. Four joined as Development Officers, four as Deputy Development Officers, and three as Assistant Development Officers. Out of eighty Development Officers, who are key functionaries, only twenty four were recruited directly to this grade; out of fifty six promotees as many as thirty joined the organisation as Junior Technical Officers. Among Assistant Development Officers who, according to the present rules, form the base of the structure and the main source of recruitment, twenty four are promotees and only twenty direct recruits. Out of fifty three Development Officers in the Engineering Division, one is an Arts Graduate, six are licenciates or diploma holders in engineering and three science graduates. In the Chemicals Division, there are three who are B.Sc.'s. At the base of this pyramid, i.e., the Assistant Development Officers' level, out of nineteen officers in the Engineering Division, as many as nine are diploma holders, two science graduates and only eight engineering graduates. In the Chemicals Division, out of thirty five, one is Inter Science and seven science graduates. A 66-2/3% promotion quota at Development Officers level from this base can hardly be expected to yield even "academically" well qualified Development Officers. More over the cadre, as it is structured, does not lend itself to a fair degree of selectivity.

3.169 We do not question the possibility that brilliant persons may be found at any level in an organisation, nor do we wish to import class distinction into judging the suitability of officers entering at different levels. However, it is our considered opinion, and also a well-recognised fact, that the probability of finding high level talent and skill decreases almost exponentially as one goes down the hierarchy to locate the source of direct recruitment. In this context, the fact that some of the key officers will, for a long time, have to be those recruited at comparatively lower levels in the organisation may not add to the stature and standing as also the utility of the organisation. Even the fact of possession of academic qualifications prescribed for higher positions does not materially alter the situation; we are already witnessing the irrelevance of arts degrees as a measure of one's innate capabilities; even L. D. Cs. have masters' degrees. Though the average quality of a technical degree holder may be better than the average in other fields, still the fact remains that some of them will be near the rock-bottom. If the level of lateral entry depends on one's actual proficiency in the field, those entering at the lowest levels can contribute only a very small proportion of high level personnel—academic qualifications notwithstanding.

3.170 It may be argued that the position will be better in future in view of the fact that the recruitment to the organisation will be entirely

at Class I level and that there is also a provision for lateral entry at even higher levels. According to the recruitment rules, the posts of Assistant Development Officers are to be filled by direct recruitment to the extent of  $\frac{2}{3}$  of the total and the balance by promotion from Class II; at the Development Officers' level (Rs. 700-1600), 50 per cent posts are to be filled by promotion,  $33\frac{1}{3}$  per cent by direct recruitment and  $16\frac{2}{3}$  per cent by transfer failing which by direct recruitment. All the higher posts are to be filled entirely by promotion from within the organisation. The position will be changed slightly, if the report of the Mathur Committee, recommending abolition of Class II, is implemented, as recruitment in that case will be entirely at junior Class I level and above.

3.170-A The first thing which strikes one is the permanent and hierarchical nature of the organisation. Can the functions envisaged for this organisation, namely, providing consultancy services of the highest order to the Government, to the public sector undertakings and to the private sector, be performed by a small organisation, structurally indistinguishable from a normal executive organisation manned by permanent officers largely recruited at the base in junior Class I? Conceptually, an advisory and consultancy organisation of this nature has to operate in almost an unlimited field of innumerable specialisations. In effect, therefore, there may be small groups of officer in each of the numerous units almost self-contained, though working in a broad frame provided to them by senior advisers at the top responsible for formulating the general guide lines in the entire technical field. Therefore, in a sense, expertise in a particular field has to be built into a small nucleus of officers in the organisation who, in all probability, would be recruited fresh from the college at Junior Class I level and who, in due course, would work their way up in the organisation. Perhaps, in view of the limitations of this structure, a provision of 50 per cent lateral entry at Rs. 700-1600 level has been made. The Mathur Committee itself noted that any engineering graduate obtained through the process of direct recruitment, on becoming desk-bound in the organisation, is unlikely to prove very useful in dealing with the issues concerning industrial units. The Committee, therefore, recommended that at least two years' practical experience should be given to these officers. They also suggested that, while making recruitment to the senior level, higher starts may be provided so as to attract persons with better experience. This suggestion, in our view, just touches the fringe and does not offer even a partial solution of the real problem.

3.170-B The reasons are deep-rooted and inherent in the conceptual frame of the organisation itself. As soon as a permanent personnel structure is envisaged, the question of direct recruitment and promotion quotas is inevitable. But an organisation of this type cannot provide a career to a specialist. Each well-developed speciality has one or more organisations in the government or in the public sector or in the private sector which provide the highest career opportunities to individuals working in those fields and the best talent will be attracted to these institutions. Whatever the terms offered by other organisations, the

best talent will never opt for an organisation in which the speciality either forms an insignificant part of the whole or plays only a supporting role. To illustrate, a bright chemical engineer will go into a firm manufacturing chemicals or to a chemical laboratory or even to a university department rather than take a chance at junior Class I or senior Class I level in an organisation like the D.G.T.D. The statistical probability itself would work against adequate representation of talent in small groups, not to speak of the adverse conditions hindering in flow of high level talent. On the other hand, we have seen that the requirements for this organisation can be satisfied only by a combination of the highest talent and the best experience available in each of the numerous fields with which the organisation is dealing. No amount of training can make good the absence of these basic and essential prerequisites. The only possible personnel policy for these organisations would be to look for the best expertise at every level from the entire country. The approach should be to make use of the experience gained by officers in their own specialisation in the actual field. They should go back and rejoin the main stream of their own specialisation. Thus, at every level the best quality and experience would be assured. A bright executive engineer would not hesitate to come and serve for a term at the appropriate level as he would go back and join his parent cadre enriching his own experience and giving his best in turn to the organisation. Similarly, for higher levels, the 'pick' of the persons available in all sectors of economy can be drawn upon. At still higher levels, perhaps, persons enjoying much larger emoluments in the private sector and in public sector undertakings can be inducted as, in the absence of a strict hierarchical order, there would not be many inhibitions about pay, etc. Also, perhaps, beyond a certain level, it is not the monetary emoluments only which count but the challenge of the job, the position and an opportunity to serve etc., become much more important. Therefore, it may be possible in a number of cases to bring in really eminent persons at higher levels at much lower 'monetary' levels. In a permanent set up, none of these possibilities are open to the organisation and the choice will have to be limited to those entering at comparatively lower levels.

3.170-C. Even the lateral entry at the higher levels is likely to favour those having experience in the organisation because, when the problem is considered in isolation for individual posts, so many other factors come into play. It is a well-established rule that the permanent element, through internally generated pressures, tends to occupy the entire available space in an organisation. Therefore, we, as a matter of rule, do not favour a permanent personnel structure for advisory organisation. What we envisage is a constant interchange between the "field" and, the "advisory" organisations at various levels, so that the organisations at any moment, are staffed with the best available talent who are not behind the times in various technical fields and who are conversant with the day to-day practical problems of their own specialisation.

3.171 This interchange of personnel should, in our view, be the basic feature of personnel policy in the conditions of India. It should

extend to the manning of consideration levels at the secretariats in the States and of the Centre. In other words, parent cadres will sometimes lend personnel for consideration levels through advisory organisations or directly. It is not possible for us to enunciate, in detail, all the rules and regulations that will have to be framed for formally embodying the principles suggested by us. The Central Personnel Agency should take up this task.

3.172 We should like, at this stage, to refer to the ever-present danger of what starts as a small nucleus of permanent officials, in due course, engaging in rapid growth and enveloping the whole organisation practically. It is never the intention that this small nucleus should ever rise to the highest policy-making-levels, but the pressures that the permanent part of an organisation is always capable of organising gradually result in the organisation existing for the nucleus rather than in the nucleus for the organisation.

3.173 We concede the necessity for providing adequate development opportunities for the permanent component. Normally, its structure itself should have adequate provision; for example, the levels of entry should be so designed that at least one higher level is reserved for those entering laterally at the next lower stage. Above these permanent strata—for example, the section officer level in the secretariat—certain percentage of posts, say 15 to 20, at the next higher level may be reserved for the permanent staff. Movement to still higher levels must be extremely limited and in no case, should there be a regular provision for this; really exceptional cases may be considered on merit on an *ad hoc* basis.

### ***Broad Professional Groups***

3.174 At various points in this and earlier chapters, we have referred to the need for the development of broad fields of specialisation to facilitate fruitful personnel development. It seems to us that these broad areas should be :

- (i) personnel and manpower;
- (ii) economic administration (including planning);
- (iii) financial administration;
- (iv) agricultural administration;
- (v) industrial administration;
- (vi) social and educational administration;
- (vii) internal security and defence; and
- (viii) general administration.

3.175 On the basis of this determination, estimates of personnel needs at various levels should be attempted. Thereafter these personnel should be grouped according to their sources of origin and the sources of origin designed accordingly, both quantitatively and qualitatively.



The sources will not always be single as, for example, for consideration levels or for personnel manning advisory departments etc. But it is only a functional approach of this kind to personnel policy, instead of a predominantly cadre approach as obtains at present, that can lead, in due course, to a more enlightened personnel administration.

3.176 We conclude this chapter with some residuary questions relating to the staffing of higher positions. The more important questions are :

- (i) the formation of formal pools for higher positions in the Centre for different specialities;
- (ii) personnel structures for a secretariat department *vis-a-vis* executive departments; and
- (iii) the Role of secretariat services.

#### *Central Administrative Pool*

3.177 The Central Administrative Pool is the successor to the old Commerce and Finance Pool. The scheme for its initial constitution and future maintenance is given in Annexure 3(4). The basic idea is to select persons and earmark them for higher positions specially in the field of Economic Administration. A provision for entry of persons with background of economics, commerce or industry has also, therefore, been made. No such direct recruitment has, however, been made so far. Also, there has been no clearly defined personnel policy regarding the type of posts to be held by members of this pool. The only visible effect of the creation of this Pool has been that officers seconded to it have been freed from the operation of the tenure rule and they continue in Government of India indefinitely.

3.178 The Government of India have under consideration the setting up of a Central Economic Pool which will have a better defined area of coverage. The officers in this Pool will be required to man positions connected with economic activities under the Central Government. The full details regarding the initial constitution of this Pool, the method of selection, the career planning, the in-service training and subsequent replenishment, etc., are not yet available. However, the broad pattern will probably be similar to that of the Central Administrative Pool. We consider that in the constitution of any such pool, it has to be taken into account that :

- (i) jobs in a professional group are not limited to the Central Government alone. The strengthening of State Governments administrations has created a substantial demand for personnel there as well in the field of economic administration, social welfare administration etc. We envisage that with the strengthening of local administrations, the centre of gravity of development activity will shift towards State and district levels as they are going to be the real units of economic planning and development;

- (ii) it is difficult to have water-tight professional groups. There are a number of positions on the border line between any two professional groups. Encadrement of these positions in one or the other groups may not be correct. What is needed is a broad grouping rather than formalised classification; and
- (iii) the very basis of our staffing pattern, laid down not on an arbitrary basis but evolved over a long period, in the context of constitutional forms, geographical, socio-economic and administrative diversity, etc., envisages a constant interchange at even sufficiently high levels between departments and policy formulation organs, between State Governments and the Central and between the field and the secretariat.

3.179 We do not think that the Central Administrative Pool or any other pool modelled on that pattern will be of much use in our context. We are definitely against the constitution of a cadre which may have the characteristics of a new service militating against the basic principles outlined by us for consideration and policy formulation levels. We agree with the Study Team on Economic Administration in this respect when they observed that "they are against any system where, after confirmation, officers will continue to serve in a specialised field totally severing their connection with the parent service". As we have been emphasising in the course of our discussion, the constitution of these pools is again an attempt to find simple solutions for really complicated problems and indicates an unwillingness to delve deep into an issue. Only staffing patterns developed on the basis of broad professionalisms as outlined by us can answer the needs of the emerging administrative situation. The broad areas of professionalism should be determined and well designed career development programmes for officers belonging to all services should be started so that the long term needs of the country at the higher levels are adequately satisfied.

#### *Induction from Outside at Higher Levels*

3.180 We had seen that one of the sources of personnel for which a provision has been made in the scheme of higher positions, is the open market; recruitment being made either on an *ad hoc* basis or on the basis of a regular intake in certain specialities. A regular intake of the type indicated in the scheme really means, in concrete terms, recruitment to a specific service, the level of recruitment being higher than the normal entry level. Actually, this would be lateral entry at higher levels to a specific service or services. This inflow should be determined by considerations relevant to lateral entry and suggested by us earlier. Recruitment on a regular basis to unspecified positions is not correct. With our recommendations for (i) the constitution of as many services as possible for identifiable specialities, and (ii) provision for lateral entry where homogeneous nation wide skill markest exist, there will be no need for a regular intake contemplated in the scheme. Thus, persons with experience of economics or industry can be inducted into appropriate services like the Indian Economic Service. These services, in their turn

should provide personnel with specific experience for higher positions along with other services.

3.181 There will still be some isolated posts which cannot be provided for by any specific cadre, whether in Government or public sector enterprises, though, with the expanding public sector, the number of such posts will become smaller. Still it may be desirable in some cases not to restrict the choice to public sector alone and other sectors of the economy may also have to be explored. In such cases we consider that qualified persons should be employed on a contract basis for specific periods, say, five years at a time. We may refer here to the need for a certain amount of mobility in the incumbency of higher posts. Such contract appointments should have at their base the same principles which have led to the institutionalisation of a regular interchange of personnel between the Centre and States, and between the Secretariat and the field. We understand that even now Government does resort to *ad hoc* recruitment for some higher positions from the private sector and the universities on a contract basis. We recommend that this should be the rule for all high level appointments from the private sector or from other entirely non-governmental sources with a further stipulation that the contract may be renewed from time to time, if necessary, in the public interest.

3.182 We cannot specify the type of posts and the levels thereof for which such *ad hoc* arrangements may have to be made. This again is a matter for decision of Government in consultation with the Union Public Service Commission after carefully weighing all the pros and cons in each individual case.

#### *Personnel Structure for a Secretariat Department vis-a-vis an Executive Department*

3.183 Organisational forms also follow—and should follow—functional requirements. The role of secretariat in relation to executive departments, as envisaged at a particular point of time, therefore, gets reflected in their organisational structure as well. There have been varying opinions about the utility, or otherwise, of having two independent administrative units, one in the secretariat and the other in the executive department. A number of models have been tried in this respect; the two extreme ones are :

- (i) two completely independent units whose relationship is formally defined, the secretariat being responsible for policy formulation and the executive department for implementation. Cases are referred by the head of department to the secretariat where they are duly considered, noting on each case starting almost at the lowest level; and
- (ii) a structure in which the secretariat and the office of the head of department are merged. The head of department himself functions as the Secretary and submits his cases direct to the Minister.

3.184 Between these two extremes can be placed a number of other models sometimes found in the same government. For example, in Maharashtra, there is a combined departmental structure. The head of department is integrated into the secretariat hierarchy itself. The head of the department has an appropriate secretariat status and has a technical hierarchy directly under him. The hierarchy of non-technical officers is placed directly under the secretary but all proposals are routed through the head of department. Thus, the proposals are examined both by the technical and administrative wings before being submitted to the departmental head who submits them to the Secretary for final orders.

3.185 We do not favour the mixing up of the secretariat personnel and heads of departments for the following reasons :

- (i) If a head of department also becomes Secretary or is integrated into the secretariat structure, as in Maharashtra, his executive functions, which lie essentially in the field, are likely to be neglected. This may also result in the head of department devoting a disproportionate time to small matters which otherwise could have been disposed of by the secretariat wing itself;
- (ii) The secretariat tends to get control over the executive field units under the guise of working for the head of the department who is also a secretariat officer. We understand that in one state the secretariat procedures have so developed that heads of department are ineffective even in small, but important matters of posting and transfers of even Class III technical staff;
- (iii) This combination also compromises the basic action-oriented attitude of a department and the cautious secretariat approach tends to permeate the entire organisation;
- (iv) A second view on an important policy question which is at the base of the secretariat-field dichotomy is not possible under this arrangement; and
- (v) The departmental point of view tends to influence secretariat thinking as well. Thus, the basic necessity for those at the policy formulation level of rising above narrow departmental considerations and seeing the proposal in a broader context tends to get compromised. This becomes even more important in a developing democracy.

3.186 Our recommendation that there should be independent administrative units, is, however, subject to the following conditions :

- (i) the head of department should be given appropriate secretariat status so that he is able to correspond on his own with

other departments and secretariat offices and does not have to approach the secretariat for unimportant matters;

- (ii) there should be a convention in the secretariat that proposals emanating from the head of department are considered at a high enough level, say, not below the rank of a Deputy Secretary. Proposals from other levels should also be dealt with at appropriate levels;
- (iii) there should be maximum delegation of powers to heads of departments in personnel matters; and
- (iv) the head of department should be given adequate staff assistance for personnel, financial and similar other matters.

3.187 We have not taken up the much laboured question—'who should be the Secretary?' A specialist also becomes a 'generalist' as he moves to the top position. We may recall the stress we placed on functions, rather than on the hierarchical relationship between the secretariat and the functional department, each of them being complementary to the other. We are not in favour of barring for consideration anyone for any post if he satisfied the basic requirements. We have also, elsewhere, suggested building up of more expertise and professionalism in the secretariat at the consideration, and the policy formulation, levels. We trust that these steps will help to develop the right perspective about personnel problems of these two essential units of administration.

### *Role of Secretariat Services*

3.188 The Imperial Secretariat Service in the Government of India was designed to man lower positions in the Central Secretariat; persons with considerable experience of dealing with rules and regulations rose up to the level of Assistant Secretaries. As heads of Sections and branches they were to help those at consideration and policy formulating levels by bringing to their notice all relevant facts, producing precedents etc. The breakdown of the tenure system at the level of Under Secretary as a result of the acute shortage of personnel in the higher services, led rightly to the abolition of the distinction between Assistant Secretaries and Under Secretaries. After the formal constitution of the Central Secretariat Service, though the basic purpose of the Service remained unchanged, the artificial barrier was finally removed and some positions at Under Secretary's level and a fixed number at Deputy Secretary's level were included in the Service cadre. Members of these services are today actually manning 70% of positions at Under Secretary's level and about 50% positions at Deputy Secretary's level.

3.188-A. The most marked change in the complexion of personnel in the Central Secretariat during the last two decades is the preponderance of secretariat officers specially at consideration levels and the appearance of an appreciable number from this group in the policy

formulation zone. There is now a demand for placing the recruitment to the Central Secretariat Service at par with other Class I Central Services and recruiting persons primarily for holding consideration and ultimately the policy formulation levels. The twin demands are to increase the representation of this service to 75% at the upper consideration levels and 40% at the lower policy formulation levels.

3.189 The question has to be considered within the frame of the two basic premises of personnel policy which we have enunciated, namely,

- (i) no formal or informal quota for higher positions; and
- (ii) no distinction on service considerations for placement in higher positions subject, however, to basic requirements being satisfied.

3.190 Thus, our approach based on a functional determination of eligibility for all levels led us to defining, in an earlier section, certain pre-requisites for personnel holding job at consideration and policy formulation levels, to which attention is invited. The type of experience and professionalism, which we consider essential, cannot be built into a permanent secretariat-based personnel structure. Training programmes for a year or two cannot be considered to meet these requirements even remotely. These programmes only aid in understanding the problems better at the levels for which the services are designed and cannot be considered a substitute for professional experience. The analogy of other countries, specially the United Kingdom, where higher services are mostly located in the Whitehall are not at all applicable in our case because the constitutional forms, geographical compulsions, and social and economic conditions are all different. We, therefore consider that the proposal for a secretariat service for consideration levels is unrealistic and cannot be taken seriously.

3.191 Even the present practice of limited direct recruitment at the Section Officers' level is not sound in the context of direct recruitment to the tune of 75% at the next lower level of Assistant. Here we find an example where there is direct entry at two consecutive levels in the same class. We have earlier recommended that, as far as possible, there should be no direct intake at two consecutive levels. At the Section Officers' level, it is really the long experience at the lower levels which is important. The large number of assistants recruited directly can be depended on to throw up, on any probability considerations, persons of right quality to man the Section Officers' levels. The higher positions of Under Secretaries and a limited number of positions at the Deputy Secretary level should provide adequate incentives to the outstanding amongst them. We consider that direct recruitment at the Section Officers' level, at least in the present service structure, is incongruous and may be stopped.

3.192 That there will be outstanding men coming from the rank of Secretariat Services who should rise to higher levels by virtue

of their innate qualities is beyond doubt and a provision has to be made for their development. That the Secretariat Officers provide expertise in the interpretation of rules, in providing precedents, etc. and that they embody some traditions, is also beyond doubt and their collective experience is most useful. But the same work-experience develops certain traits like over-concern with rules, anxiety to be correct on paper notwithstanding the end results, a cautious approach cultivated over a long period, etc. What are desirable qualities in one position become obstacles in another. There is a discontinuity in terms of skill requirements below the consideration level in the secretariat. We consider that these are some of the very important aspects which should be taken into account while making selections for, and placements in, consideration and policy formulation levels.

3.193 We have noted earlier that a new approach of "generalism" where previous experience is considered altogether irrelevant, is developing. Under this mistaken view, it should not be surprising if some of those nearer the centres of power are elevated to positions for which they are hardly qualified by virtue of their experience, academic qualifications and other innate qualities. This process has to be reversed in the interests of a sound personnel policy.

3.194 In conclusion, we wish to observe that the supportive role of the Secretariat Services as envisaged at present is correct. These services cannot be considered to form a nucleus of upper consideration and policy formulation levels. Also, simply because supportive Secretariat functions are necessary in all departments and organisations, these services do not qualify to hold all positions in all departments. We trust the Central Personnel Agency will evolve methods whereby basic requirements for manning superior positions are required to be satisfied before appointments from various sources are made. We think that the present provision of Under Secretary's level and at the Deputy Secretary's level for the Secretariat Service is adequate. The cadre strength should however, be revised in accordance with principles of cadre management outlined by us earlier. The temporary imbalance which has occurred in the last few years should be corrected.

3.195 Similar observations would apply to State secretariats as well and State Personnel Agencies should take appropriate action as and when necessary.

## CHAPTER IV

### PERSONNEL MANAGEMENT AND DEVELOPMENT

#### *Introduction*

4.1 Given that the personnel structures required for manning personnel units have been determined, policies relating to personnel management and development assume great importance and are decisive in fulfilling the purposes for which personnel structures were originally created. Initially, it is only the broad features of a personnel structure that can be indicated with some degree of precision; its full shape emerges, and its full utility is derived, only if the personnel management function is carefully and imaginatively performed. For instance, if a particular service is meant for top management posts, but for some reason that service is not utilised for these purposes or its training programmes are not properly modified from time to time in the light of changing needs, it is more often than not a failure of personnel management.

4.2 The other general point that we wish to make here is that, in the Indian context, personnel management has an additional dimension. Normally, personnel management is, or ought to be, internal to the personnel unit concerned, that is, each organisation deals with its own, personnel problems. But in India, where personnel structures transcend or cut across, personnel units, personnel management has to concern itself with the management of these personnel structures as well or, in more familiar terminology, with the management of various (multi-departmental) cadres and services. The operational implication of this situation is that each organisation, to some extent or the other, is restricted in the autonomy it has in respect of its own personnel policy. For the manning of different categories of posts, the personnel authority of an organisation has got to deal with authorities in-charge of cadres and services located externally to these organisations. A good deal of co-ordination is, therefore, necessary if personnel management is to fulfil itself. All these services and cadres have permanent strengths; i.e., every member of a service or a cadre, but for a short probationary period, is a permanent member of the service or the cadre concerned without being specifically attached to any particular post. This calls for much longer term planning of personnel development than would otherwise be called for.

#### *Quantitative Adequacy*

4.3 The first basic requirement of a personnel structure is quantitative adequacy. There is such a thing as a physical requirement of bodies of a particular kind which every cadre must fulfil. If there are 350 districts in this country, obviously 350 district officers would be required. The problem of quantitative adequacy is really a problem in manpower planning. This problem is concerned not only with the total strength



of the cadre as such, but also, on the one hand, with the various levels of competence and experience that would be expected of the cadre from time to time, and, on the other, with the kinds of skill and knowledge-ability that the cadre is required to produce over time.

### *Shortage of Qualified Personnel*

4.4 We have seen in Chapter II that the administrative machine is oversized and recommended a drastic cut in the strength of personnel but in this section we examine the question of qualitative adequacy as a purely management practice. There are two points; *firstly* even in the overall context of excess of staff there is shortage of key personnel in some areas and, *secondly*, we do not question in this section the strength of a particular cadre and take the respective authorised strength as actually needed. With reference to these two, management practices should ensure quantitative adequacy. We find that, in practically every cadre, the present position is not only that the authorised strength of the cadre itself is inadequate in terms of current need, but also that there is gap in the sense that the actual strength is, and has been for some years, short of the strength. In other words, we are putting up with a shortage of personnel of acceptable quality and, by definition, using personnel of lesser calibre. We are unable to accept the inevitability of a shortage of this kind. We feel that not only is this state of affairs remediable, but also that the loss to the nation resulting from the utilisation of inferior personnel is, though not measurable, tremendous. The basic argument advanced against getting these cadres immediately to full strength or even expanding them more frequently in the light of obvious need is that there is some kind of absolute limit to the number one can take from the competitive examination each year. The immutability of the absolute limits is being overdone and needs to be abandoned. A time has clearly come for us to think in terms of some appropriate measures for increasing the number of acceptable candidates from the annual competitive examination.

4.5 The declining numbers of first-class graduates appearing at the competitive examination, and the still more sharp decline in the proportion of such candidates to total posts filled, has been over-stressed. There seems to be a fallacy in this kind of thinking; while the university examination system and, consequently, the divisions awarded are considered unsatisfactory ways of measuring real merit, the same system is quoted in support of the hypothesis of declining quality. The varying standards of universities for the award of divisions make the comparison still more difficult. The university divisions, no doubt, give the first-order differences and the probability of getting the right material from each group does decrease as one goes down the scale, but every group—the first, the second and the third classes—have some contribution to make. A common competitive examination covering a much wider range than an individual's own field of study becomes consequently necessary for assessing an individual's suitability for job—sit being assumed that the examination has been designed for the purpose—and his relative merit. Incidentally, the decline in the number of first class graduates

appearing in 1963-64 in the IAS etc. Examination appears to be more apparent than real as, during this period, the restriction to two chances came into operation. We find that the problem is rather complicated and simple explanations which may, at first sight, appear to be plausible, should not cause an unnecessary scare and considered adequate to warrant a reduced intake in the services at appropriate levels.

4.6 The frequency distribution of talent in any group of randomly selected individuals is almost uniform. There may be some variations if there is selective migration, for example, towards the better known universities. Any selection technique has to take into account these facts. For strengthening the base of recruitment, a wider and better field of selection would be necessary. As competitive examinations appear to us to be the best available method of objective assessment, all facts taken into account, it should be ensured that this process itself does not unduly restrict the field of selection.

4.7 The expansion of university education has brought a very large number of students within the field of eligibility for higher services. This should normally lead to a strengthening of the field of choice and it should be possible to get much larger number of individuals of comparable quality. As against about ten thousand graduates coming out from the universities in the early thirties, the number has now crossed the one and a half lakh mark. The increase in the potential of this new field should at least be as high as the increase in absolute numbers. But many of the new universities are not contributing towards even a fraction of our requirements. For example, during 1960-64 as many as nine universities have not claimed a single position out of the five hundred twenty in the I.A.S., another twenty two less than ten each (total eighty), while Delhi alone claimed seventy eight, Madras seventy five, Calcutta sixty three and Punjab fifty one (Annexure 4). The standard of education in general and university education in particular has fallen, the standards also vary from university to university. But still the fact remains that in every group of students there is top quality material which can be channelled into the public services and other areas of national life. What is, therefore, needed is a dependable process of tapping that source.

4.8 There are two important aspects of the problem: Firstly, a large number of universities have switched to regional languages as the medium of instruction. We would not go into the desirability of this process but this appears to be inevitable if the benefit of education has to reach the community at large. Presently, a genuine scarcity of good textbooks in regional languages and good teachers may be one of the main causes of lower standards; this is a problem to be tackled by educational administrators. So far as our problem is concerned, the regionalisation of the medium of instruction seems to be one of the important reasons for the field of choice getting contracted, because the medium of the competitive examination is English. We do not think that difficulties in the techniques of selection, etc., in a multi-lingual world can be seriously considered sufficient ground for the reversal of this process, it is the

techniques which have to be adapted to new situations. Secondly, the fact of increasing inequality--both between the rich and the poor and between the urban areas and the rural areas--is important as it disables the less privileged students in important ways. These boys go to institutions nearer home--be it a college in a village, a town or a city--whatsoever their innate intellectual capacity. They lack a 'good' family background as well as a good educational base. The persistent attack in the Parliament on the relative weightage given to personality tests in some competitive examinations had its roots in the feeling that candidates from the weaker sections of the society were at a disadvantage in an essentially unequal competition. Perhaps, if these tests were so devised as to eliminate this alleged bias and their dependability assured, there would have been no occasion for such apprehensions and the resultant criticism. In the absence of the necessary 'feed-back' and a self-adjusting mechanism, the decision to reduce the quantum of personality test marks, as also the decision not to insist on a minimum performance in the personality test were both taken by the government, apparently in deference to popular sentiment. This example illustrates the principle that a felt need tends to assert itself and cannot be ignored for long specially in a democracy. It is, therefore, necessary to objectively assess new tendencies and find solutions.

4.9 It may be argued that even in a country like England, the Oxford and the Cambridge universities contribute a large proportion of civil servants while the share of other universities is small, and, in some cases, nominal. Class distinctions and family background probably play the same role there also; the higher civil services the world over are reputed to come from the upper middle classes. This comparison, however, cannot be pressed beyond a limit in our socio-economic situation. Society in the United Kingdom is more homogeneous, less unequal and geographically much less dispersed than in India. Moreover, in a developing society, the civil servant is an instrument of social change. The attitudes of the civil servants which, to a very large extent, are products of their socio-economic affiliation, become a potent force. We have to devise our recruitment system in such a way that, without compromising quality, the services net the best available talent from the entire country and the field is not restricted, implicitly or explicitly, to a small stratum of society. The nation is going through an educational and social revolution; the vast potential resources thus thrown up have to be utilised for the tremendous task of national development whose demand for the highest talent can be said to be unlimited. It is in this context that our recruitment policy has to be moulded.

4.10 We do not wish to go into the details of recruitment problems as a sister study team is examining the matter. However, here we note with appreciation a recent decision of the Union Public Service Commission to allow candidates to write some papers in the regional languages--insofar as it recognises the fact of regional languages having come to be the medium of instruction for a substantial number of students and its necessary corollary of suitable adaptation in the examination

procedures. An ideal system would be one which tests the accomplishment of the students as objectively as possible and minimises the weightage of factors like his socio-economic background. We examine below some alternatives.

### *A Plan of Recruitment*

4.11 The basic plan of the present examination which measures a candidate's comprehension of the subjects of his choice, his power to think coherently and proficiency in composition, his general knowledge and awareness of current developments, both in the socio-economic field and the scientific field, is sound. In all these tests, however, the candidate may be allowed a medium of his own choice so that the final gradation represents the most approximate index of his attainment and capacity. Proficiency in English, which is a must for administration in India at the moment, can, however, be prescribed as a necessary condition for final appointment to the service, to be tested, say, at the end of training in the Academy. The scheme appears to be attractive but is likely to create complications insofar as it may be difficult to discharge any one once selected on the sole ground of their not knowing enough English. Alternatively, in addition, a paper to test proficiency in the English language may also be prescribed and attainment of a certain minimum level made necessary for success. For example, the scope of the present General English paper could be suitably widened to serve this purpose. This, while ensuring objective assessment of the candidates' attainment without subjecting them to the strain of expression through a language not of their choice, will also ensure a minimum standard in English. The prospective competitors in universities, even in the backward regions, could possibly make an extra effort to gain proficiency in English, which is something quite different from each one of the students in those institutions attempting to learn a subject through that medium. The very possibility of successfully competing will give a fillip to such efforts as it will bring a large number of students within the 'critical zone' and will substantially increase the base. This scheme, however, does not positively aid the brilliant ones placed in unfavourable situations. The field of choice could be further widened if the competitive examination is conducted in two parts. The first examination may cover optional papers and an essay which the candidate may be free to write in a language of his choice. This examination will throw up the best talent in the country. A specific number of them at the top about four to five times the number of likely vacancies may be picked up. These candidates may be given a stipend of, say, Rs. 300.00 per mensem for about a year and may prepare for the second part in any way they like, for example, in any institution of their choice or privately. The second part of the examination, to be held after a year or so, should cover what now constitute compulsory papers to be answered in English. The broad scheme is that the first part should net the meritorious and the second part should prepare him to be a member of a national civil service not only capable of merely communicating with one another but also able to understand, and express himself comprehensively on, the many complex problems of modern administration.

Many more details will have to be filled in and we leave that to government. The final selection for the services should be made on the basis of the results of both parts of the examination and a *viva voce* test as at present. Some of the boys may like to take the examination in one chance only; this will raise problems of comparison that have to be solved. Also, some of the better candidates may be deterred by this long process; in view of the growing competition from the private sector this could be serious. We do not think that these difficulties are insurmountable. Given the task of spotting the best talent interested in the public services, no technique, however unorthodox, can be ruled out if the basic purpose is to be served reasonably well. A scheme on the above model will (i) spot the most brilliant, (ii) give a chance to those from the backward regions and the lower social strata to make up the deficiency, and (iii) to a great extent remove the disability imposed by compulsory testing through a medium with which the large majority are not at home; it will also broaden the base of recruitment in direct proportion to the spread of education. We recommend that the government, in consultation with the Union Public Service Commission, give thought to this problem and evolve a scheme of examination on the model suggested here.

4.12 There is yet another aspect of strengthening the base of recruitment. Recruitment methods have to be adapted to structural changes in the demand for personnel. Without a purposive policy of recruitment, ill-suited personnel may be inducted in government services. For example, in the case of recruitment to engineering posts the Union Public Service Commission have been adopting two methods of recruitment, namely (i) competitive examination; and (ii) *ad hoc* recruitment by interview only. The figures in Annexure 4(1) show that the number of candidates taking the examination varied between 850 and 1150 from 1950-60 to 1965-66 while the number of candidates interviewed steadily went up by more than 50% and the number of candidates declared successful by 300%. The *ad hoc* recruitment to engineering posts increased by more than five times during the same period. Apparently, there has been no change in the recruitment policy of the ministries or that of the Union Public Service Commission. In the case of certain services where recruitment is made normally through competitive examination, in the event of not getting a sufficient number of candidates through that source, resort is made to recruitment in other ways. The whole policy of recruitment to engineering posts requires careful review. We do not wish to question the adequacy of either of the two methods for purposes of recruitment, but we would like to point out the unresolved inherent contradiction in the situation. Notwithstanding the competition in the technical field from the private sector and from the growing public sector undertakings, the periodicity of the examination and the time schedule continue unchanged. We consider that there is need for a drastic change in a personnel policy under which, on the one hand, a waiting period of one year and a time-consuming, elaborate examination are pre-requisites, while, on the other, a mere 15 to 30 minutes interview is considered adequate. Some middle way for meeting the new situation

should be devised which satisfies two conditions: a simple examination not requiring long preparation and a minimum time-lag between the university examinations and the offer of appointment. These two can be satisfied if a simple test is administered which may test the aptitude and basic technical skills and measures intrinsic intelligence. Such a test would not require much academic preparation and can be administered to engineering graduates just nearabout the time of their university examinations. It would also dispense with the time-consuming marking system. Preliminary results can, therefore, be announced by the time the university results are out. On the basis of attainment in this aptitude-cum-technical-cum-intelligence test and the performance at the university examination and at a short interview the results can be announced within a reasonable time, say, three months of the declaration of university results. Such a system would be more scientific and less time-consuming. We recommend that suitable tests for recruitment to engineering posts at Class II and junior Class I levels, where only a basic engineering degree is the qualification, should be developed by the U.P.S.C. and a start should be made immediately.

4.13 Another example in a much simpler field would also point towards the lack of conscious personnel planning in Government. One often hears about the shortage of clerks in the Government offices. The examination system of the Union Public Service Commission in a leisurely manner, follows the same old practice of holding an annual competitive examination. Simultaneously due to the overall shortage, they are also approving appointments of clerks from Employment Exchanges. At least for the repetitive job of a Lower Division Clerk some objective tests, to replace the present essay type examination, can be worked out, for example, in collaboration with the Ministry of Defence who, we understand, are administering a number of tests to defence personnel with considerable advantage. Besides doing away with the anomalous situation where a 'perfect' examination system and 'no system' co-exist, it is likely to result in better job performance as is the experience of other countries in the field. We, therefore, recommend that the Union Public Service Commission should take a lead in this direction and replace the essay type examination for lower posts by objective tests.

### *Review of Cadre Strengths*

4.14 The authorised strength of all regularly constituted services and cadres must be periodically reviewed. None of the cadre management authorities who were addressed were able to indicate to us any well-recognised principles they may have adopted as a basis for cadre management. The sole exception seems to be the Ministry of Home Affairs which has evolved working formula for the IAS and the IPS; there is also a regular triennial review of the cadre strengths of these two services. The triennial review tries to determine the dimensions of (a) the maintenance element; (b) the growth element; and (c) the "gap-bridging" element. However, the review, as indicated by the Ministry

of Home Affairs to the Estimates Committee, does not end in the drawing up of a report. This is a very serious deficiency because it is only such a periodic crystallisation of ideas that can ensure that in due course a full policy covering all aspects emerges. Secondly the review is retrospective rather than perspective so far as the inclusion of posts in the authorised strength of the cadre is concerned. What is done is to see whether any of the *ex cadre* posts *already* created need to be included in the cadre or not; reportedly, no attempt seems to be made to try, to determine, on however experimental a basis, what kind of posts are likely to be needed by the different administrations in an ensuing period and, further, to decide which among these should be manned by members of a particular cadre. This process of forward planning is, no doubt, difficult, but it is only a series of attempts of this kind that will, in due course, produce some predictability in a situation in which there is no predictability at all at present. Finally, no such reviews are undertaken, as a matter of course, by other cadre authorities. It is evident that, in some manner or the other, the authorised strength of every service gets fixed from time to time; but this seems to be taking place on an *ad hoc* and unplanned basis.

4.14-A. The last point to which we should like to draw attention is that a comparative outlook in respect of cadre strength is necessary when there are services performing broadly similar functions. The example that readily comes to our mind is the Indian Administrative Service in relation to the State Civil Services. It is possible, for example, to examine whether a few posts should be added to, let us say, the lower rungs of the IAS cadre of the State or to the higher rungs of the State Civil Service Cadre. We have elsewhere drawn attention to the fact that the State Civil Services need to be more fairly and more imaginatively dealt with, than so far. Such an approach becomes all the more necessary if the large expansion of a cadre is likely to result in deterioration in quality. While not all the candidates of reasonably high quality may have found their way into the State cadres because of language or other difficulties, candidates of not very high quality may get into the IAS. We, therefore, recommend that the fixation of the strength of a particular cadre should not be an isolated operation. It should first be ascertained whether there are other cadres also which could be considered for expansion and proposals for expansion (or reduction) should be based on an overall view of the relevant cadres. In the specific case of the IAS, we also think that the present rate of recruitment is rather high.

#### *Deputation Reserves*

4.15 We wish to make two further comments on the quantitative aspects of cadre management. First, the deputation reserves built into the various cadres have proved to be chronically inadequate where provided and, unfortunately, in a large number of cases they are not provided at all (cf. Annexure 4(2)). An instance of the former is the Indian Audit and Accounts Service which has some 275 officers out on deputation, as against the deputation reserve of about 123. The actual

strength of the cadre is 508. An example of the latter is the Central Engineering Service in which almost two out of every five officers are out on deputation and the formal constitution of the cadre does not provide for a deputation reserve at all. We consider these to be very serious instances of failure in personnel management. It is inevitable that, in these circumstances, the departments which such services are primarily intended to man themselves suffer from a lack of personnel of high quality. There is no doubt in our mind at all that this situation is avoidable and should be avoided. We, therefore, recommend that deputation reserves of reasonable proportions should be built into every service or cadre whose study shows that deputation demands on it are considerable. As a relevant fact in this connection, we should like to point out that the 15% deputation reserve built into the IAS cadre also seems to have proved inadequate. In fact, if a large deputation reserve is not utilised for purposes of deputation, no serious harm would result because the department will have more than its due share of high quality personnel. In such a situation, there is bound to be some stagnation but we suggest that such temporary bottlenecks should be resolved by special measures; the solution is not to ruin the department by a permanent short-fall in quality. Equally serious is the lack of adequate training and leave reserves. (Annexure 4(3)). The sizes of these reserves can be determined easily with the help of well-known techniques and we recommend that the Central Personnel Agency should not treat any cadre as viable unless all these reserves have been properly incorporated. We feel somewhat strongly about this matter and that brings us to our second comment, namely, that, in the case of some cadres, an extremely conservative and, if we may say so, short-sighted approach is being adopted in relation to the annual intake in spite of the fact that the demands on the cadres are continuously increasing.

### *Rate of Expansion*

4.16 The table at Annexure 4(4) shows the gaps in cadres of some of the important Central Services. A study of the changes in cadre strength over the last six years shows that some services have expanded at a high rate—the Indian Revenue Service by 7.3% per annum, the Indian Administrative Service by 5.6% per annum while certain others showed a low rate of growth. The Indian Audit and Accounts Service had the minimum rate of 2.1%. All these cadres have some gaps, i.e., the actual strength is less than the authorised strength. A gap of the size of the normal wastage figure plus the rate of growth can be considered to be normal, as intake necessarily follows wastage and expansion—even anticipated expansion. According to this criterion, besides, the large imbalances in the technical services under the Railways where the gaps are of the order 30%, the Indian Audit and Accounts Service tops the imbalanced cadres in the nontechnical services, the gap is as much as 15.4% which is about three times the normal if the low rate of growth of the cadre is kept in view. An examination of intake figures shows that in some cases cadre gaps are not being filled on a planned basis. Table at Annexure 4(5) shows that in some of the cadres, the intake is far from



adequate. The Engineering Services of the Railways and other technical Services may be experiencing some difficulty in getting suitable candidates; we, however, do not consider that to be sufficient ground for such persistent shortages over long periods. Even at the risk of repetition, we may again warn against approaches based on expediency in cadre management and re-emphasise our recommendation that recruitment methods should be changed to suit the emerging situation.

### *Intake Rate*

4.17 Among the non-technical services, there has been an appreciable increase in regular intake of the three largest services, namely, the Indian Administrative Service the Indian Police Service and the Indian Revenue Service. The Indian Audit and Accounts Service has, however, kept the intake figure at a very low pitch—the average for the last four years being only 12 per year which is just two per cent of the authorised cadre. An annual intake of 2.8 per cent is the minimum required for maintaining the service at unchanging strength; in other words it excludes all other factors like growth requirements and gap-bridging requirements. In the case of the Indian Audit and Accounts Service, there is a sizeable gap of 90 which is persisting for a long period. Smaller services like the Defence Accounts and Railways Accounts have been taking sizeable numbers during these years. Providing for normal wastage, for the growth factor and for filling the gap of the cadre, say, in five years, would require a minimum intake, after allowing for 25% promotion, of the order of 35. Thus, the entry has been grossly inadequate. The argument of quality being diluted or a sufficient number of persons not forthcoming through the normal recruitment channels may be adduced; we have examined this aspect in broad terms earlier in the chapter. At this point we would like to stress that, if and when there is such a feeling, the correct course would be for a Central Agency to objectively assess the intake requirements of all the different cadres drawing from a common source and, in case of short fall in the number of qualified persons being available, a *pro rata* cut may be made by a common authority for all services rather than that each cadre authority be the sole judge of desirability or otherwise of reducing or increasing the intake. The Central Personnel Agency and the Union Public Service Commission together should play a decisive role in this regard which apparently they have failed to do; we recommend accordingly.

### *Shortages and Staffing of Cadre Posts*

4.18 A closer examination of the internal structure and actual manning of positions brings out the harmful effect which faulty cadre management policies cause. Table at Annexure 4(6) give the position in respect of the 'career' time scale to the senior scale positions. Imbalances in some services are very pronounced. In the case of Indian Audit and Accounts Service the shortfall is of the order of 47% and in the case of the Indian Revenue Service, 20%. In the case of these services, the grade under consideration is also the entry grade and shortages of this dimension are indefensible. The situation is far more unsatisfactory in services in

which there is a distinct junior entry scale. The Railway Accounts Service are short of officers in this grade to the extent of 56% and the technical services under Railways between 66 and 80%. In all these cases the gaps in the entry scales are many times the normal annual intake, the exceptions where the gap in the junior scale is less than the annual intake are the Indian Administrative Service and the Indian Police Service; this indicates that the overall shortages in the cadres are being filled through a conscious policy of higher recruitment.

4.19 The above imbalances are further accentuated if note is taken of the deputationists working outside the department/cadre. As the impact of short-falls at any or all higher levels is felt ultimately at the lowest levels, we have attempted to see how the junior positions in some of these services supposed to be held by regular service officers are being actually manned. The position as revealed by our analysis is indeed amazing. Out of 519 time scale posts in I.A. & A.S., there are 403 direct charge posts and 116 supervisory charge posts. According to the Gradation list as on 1-7-1966, there are less than sixty officers holding direct charges; others are either holding supervisory charges or are on deputation. Annexure 4(6) shows that in the Railway Accounts Service and in various Engineering Services under the Railways only a small fraction of similar posts are manned by service officers. We have not been able to appreciate the validity of a position which so violently diverges from the well considered schematic structures prepared for each organisation by the cadre authorities themselves. We have already stated that the first objective of any personnel policy is to see that the all positions are properly manned. Divergencies as noted above are either indefensible or call for a revision of the basic principles of cadre management. In clear terms, what is actually happening is that posts which should be filled by directly recruited Class I officers are being filled by temporary officers from Class II and many a time even from Class III. As will be clear from our discussion about temporary and permanent posts which we take up later in this chapter, such *ad hoc* arrangements are neither fair to the officers concerned nor do they serve the real purpose for which the posts are meant. The situation is much worse than what would obtain if the cadre authorities had taken a conscious decision that the posts need not be manned by Class I service officers, reconstituted various cadres accordingly and evolved personnel policies with that pattern in view.

4.20 We are constrained to observe that cadre management authorities seem to have been influenced more by the need to provide rapid, rather than adequate or reasonable, promotion opportunities than by the necessity of making the cadre a dependable instrument for the performance of the functions for which it is designed. The promotion coefficient in proposition 5 of 'Some Aspects of Cadre Management' (Annexure 4(7)) shows how both selectivity and the time taken for promotion tail off as a result of *de facto* increase in higher posts without their being reflected in the cadre strength and similarly as a result of *de facto* reduction in the strength of junior positions. The above analysis clearly brings

out that both these devices have been extensively used. In this context the following salutary observation of the Second Pay Commission is relevant: \*

"We have been informed by the official witnesses that so far junior scale officers have been getting senior posts after 5-6 years' service largely because of the expansion of the cadres of these Services in recent years, and that on occasions such promotions were made possible only by creating additional posts in the senior scale, by temporarily upgrading junior scale posts of direct recruits to the Service. We do not consider these temporary devices as satisfactory for the management of a service."

#### *Cadre Management Committee*

4.21 We have no objection whatever to adequate promotion opportunities being guaranteed and built into the cadres and to any other principles which are both in the interests of the cadre and in the interests of the department. But, once the cadre structure is determined we can see no excuse for persistent deviation from the original design of the cadre. We, therefore, recommend first, that (i) every regularly constituted service or cadre should have a cadre management committee. This cadre management committee should consist of the controlling authority, two representatives of the Central Personnel Agency (one from the purely personnel side and the other from the financial side) a well known expert in the kind of personnel problems that the particular cadre is concerned with and two representatives of user interests. User interests should be taken to mean either organisations which largely use members of the cadre concerned on deputation or the various organisations which the cadre is expressly intended to serve; in some cases, practically all organisations may be concerned. The Personnel Officer in the department of the controlling authority of the cadre should be the Secretary of this Committee. (ii) This Committee should undertake an exhaustive review of the cadre every five years, but the various features of cadres determined at the beginning of the five year period should be subject to a mid-term review during the course of the third year so that, if any changes become necessary, they can be duly incorporated. (iii) Both the five-year exercise and the mid-term review should be formally drawn up in the form of reports for approval by the appropriate authorities. (iv) The Committee should also indicate, at each meeting, the studies that it would like to be carried out and completed before it meets again in order to understand the problems of a cadre better. (v) As a matter of general policy, the Central Personnel Agency should discourage deputations from inadequately manned cadres, otherwise there can be little hope of the situation improving at all from its present unfortunate position.

#### *Internal Quantitative Balance*

4.22 Next to quantitative adequacy in overall terms, every cadre or service must have an internal quantitative balance, i.e., logically

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\*Report of Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, p. 412.

determined relative strength of various grades. This balance should not be conceived of as one in terms of all the levels in a cadre. The policy can never be that every person in the cadre, subject to minimum levels of fitness, should hold the highest post or posts in the cadre concerned. This follows from the fact that the highest posts in any cadre would normally be associated with very high levels of responsibility which means that a very high degree of selectivity will have to be applied. The internal balance should be determined with reference to the one (or two at the most) level(s) at which most officers of the cadre will spend most of their careers. For example, it could be either the combined Class I scale (Rs. 400-1250) or it could be the junior Class I or the senior Class I levels. This will be the end point of the careers of most members of the cadres and not the starting point for the further jumping of levels. We do not propose to go into the question whether the scales associated with these levels are adequate or not; that is a different matter which must be decided from time to time on the basis of various social, educational and economic factors. The fixation of the normal level will also mean, further, that the number of posts in a cadre above this level need not bear any particular proportion to the number of posts in the normal level—although if the number of posts at higher levels is large it may be necessary to expand, to the required extent, the number of posts at the normal level as so as to ensure that a high degree of selectivity will, in fact, yield the number of officers required for higher levels. But this process cannot be reversed: that is, the number of posts at higher levels cannot be derived by the application of a pre-determined fraction to the number of posts at the normal level. It is true that cadres with relatively larger number of posts at higher levels will attract more and probably better recruits, while others with fewer posts will attract less and possibly worse recruits. This, it seems to us, is as it should be. It has been urged that, where diverse cadres have a common source like a competitive examination, the promotion prospects of the initial entrants into the various cadres should be made uniform; we have no hesitation at all in saying that this is entirely wrong. Cadres are meant for the functioning of government and it is the functional requirement of government that will determine the strength at each level in each cadre. These strengths cannot be either initially designed, or artificially contrived thereafter, to satisfy misconceived promotion urges. In fact there is no reason why such an argument should not be further extended to all persons entering at Class I level through different sources—this would show up the invalidity of the argument even better. If the terms and conditions attaching to a particular service are at present inadequate to attract the right kind of person, they should certainly be improved. But, having done all this, we feel that the cadre patterns must be stuck to, rather than manipulated, for ends other than those for which they are designed.

4.23 An instance of imbalance which we wish to give here is that of the Indian Economic Service. A nontechnical Class I service at the centre is generally considered as one of the sources for selection to higher posts often beyond the cadre itself. It is, therefore, essential that the

entrant to these services is of reasonably good quality. It does not appear to us incorrect to assume that, unless a Class I entrant can hope to end at least at the maximum of a Class I senior scale (Rs. 1250.00) by the time he retires, this quality cannot be expected. We may add here that there is nothing sacrosanct about this maximum; it is a relative figure and the present personnel policies of the Government have been based on the above presumption as is evident from Cadre structures and cadre management policies in many fields. In this context any conscious or unconscious decision in favour of a lower figure in an isolated case is likely to result in only the second best being attracted. We emphasise here the unconscious and unintended aspects of personnel policy. In fact, in this connection the Second Pay Commission has pointed out that: \*

“We consider that the real purpose of Class I services should be to provide officers for senior posts; and we understand, this in fact is how the Services under reference are being sought to be managed. It, therefore, appears reasonable that, subject to fitness, officers of these Services should have well-founded expectations of moving up to the senior scale in about the sixth year of service; and it seems to us that with the complements of the various grades in these services as they are, the existing pay arrangement is not likely to ensure this.”

4.24 However, the Commission did not apply the full logic of these principles to the Indian Economic Service. This Service has a strength of 298 at the junior Class I level and only 92 at the senior Class I level which means that a little over 1 in 4 only can expect to be in Senior Class I. In terms of time, this will mean that each officer will have to spend something like 26 or 27 years in the junior level posts—if the cadre continues unchanged for a long enough time. If it is the intention of the cadre authorities that the normal level of the Indian Economic Service is the junior Class I level, it seems to us that an altogether different kind of service should have been constituted if a service was necessary at all. This could have been a Class II service with these 298 posts in senior Class II (instead of senior Class I) with, say, something like three times the number at the junior Class II level. This senior Class II level could have served as a basis for selection to higher level economic posts in government, part of which are represented by the present 92 senior Class I posts in the Indian Economic Service. This is analogous to the present situation in which members of the Economic Service hold posts at levels higher than Grade I of the Indian Economic Service which is Rs. 1800—2250, such posts being outside the cadre of the Indian Economic Service.

4.25 What we are suggesting is that the normal level of a particular cadre should, but for a few higher level posts, be such that most members of the cadre can look forward to being at that level for a good part of their careers. Unless this principle is recognised cadre structures will not

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\*Report of Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, p. 142.

be properly built up. From this point of view, we have not been able to persuade ourselves of the correctness of the view taken by the Second Pay Commission regarding the necessity for continuing separate junior and senior Class I scales for the technical services. The Commission themselves had recognised that "The complements of the different grades in the Central Engineering, Central Electrical Engineering and the Telegraph Engineering Services, are so fixed that there is no difficulty about the promotion of officers from junior to the senior scale in the normal course, i.e., after 5-6 years' service."\* Thus the Second Pay Commission gave two different findings in the case of two basically similar service structures; the similarity of service structure is borne out by an analysis of their own figures [cf. Annexure 4(16)]. If the position in technical services was as given by them, the logical consequence would be to recognise the necessity for a combined scale in the interest of improving the quality of the entrant without any extra cost to the exchequer. We, therefore, feel that the recognition of the normal level of a cadre should be realistic. Where the normal level is junior Class I, we have already recommended that different kinds of cadres should be evolved. Where this principle has not been recognised, cadre management authorities have in fact arranged things in such a way that a continuous ascent from junior Class I to senior Class I is assured. However, in doing so, they have brought about other imbalances in the structure in the form of a considerable number of promotions from Class III to junior Class I. This would not have occurred if these Class I posts, if necessary, had been excluded from the cadre and the fact of these being the highest that a Class III man could aspire to was incorporated in a separate cadre.

4.26 If the main objective of restructuring of the non-technical services by combining the junior Class I and senior Class I scales was providing a reasonably satisfactory career opportunity to those entering directly in Class I, it has been achieved. But if the objective was to evolve a structure where persons recruited to Class I directly were to hold positions of the responsibility comparable to senior Class I and above, we are afraid that this step, rather than tackling the problem and providing a solution, only served to cover it up by upgrading positions hitherto in junior Class I to senior Class I. The level of responsibility, etc., however, continued to be the same. This was not the declared objective of unifying the scale but was the inevitable result. The correct approach would be to review the strength of junior positions and reduce them to a number just sufficient to provide personnel for higher levels. This observation should, however, not be taken to mean that we suggest or we subscribe to the view that recruitment in junior Class I is really meant to man only senior Class I positions. What we are emphasising here is that the principle though clearly enunciated was not properly analysed and unsuitable remedy was suggested.

#### *A Suggestion for Restructuring of Class I Service examined*

4.27 We will refer here to a new suggestion for redesigning service structures. According to this view, junior Class I positions should be

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\**Ibid.*, p. 168.

treated as training posts and there should be a distinct junior scale. Positions in senior Class I (Rs. 700—1250) and the junior administrative grade (Rs. 1300—1600) should, however, be combined into one scale of Rs. 900—1600. Thus a class I officer is recruited to junior Class scale (Rs. 400—950) who moves to the senior scale (Rs. 900—1600) after five years or so. There would be no objection to this structure if the requirements of a particular department so warrant. But a general proposition like this is based on rationalisations which are not valid. The suggestion, in concrete terms, only means that all senior Class I positions be upgraded to the present junior administrative grade, thus combining two distinguishable levels of work and responsibility. This is precisely what happened at a lower level when junior and senior Class I scales were combined. It can be seen that the combining of two grades or keeping them separate does not at all make any difference in terms of the rate of recruitment, or the rate of junior scale positions to higher positions and the only difference will be the raising of the maximum of the normal scale from Rs. 1250 to Rs. 1600 for all Class I entrants.

4.28 The above suggestion is yet another example of an indirect move to upgrade positions without adequate grounds, which has been the bane of our administration for quite some time. Distinct levels of responsibility should remain distinct and the structuring of organisations should be based on functional necessity. The combining of junior and senior Class I scales by the Second Pay Commission complicated salary administration in so far as all recruitment to junior Class I is now claimed to man the 'really' senior positions; the new scheme would further raise this normal expectancy. But this is not practical. We consider that if there are actual positions of responsibility at junior Class I or slightly higher levels, they should be so recognised and should, in practice, be, also, manned by qualified persons. The only sound principle is that it is primarily the organisational needs which should determine the structure rather than a ready made structure being superimposed on the organisations. Promotion prospects, etc., are derived characteristics and not factors determining structures.

### *Promotion Policy*

4.29 Principles and procedures relating to promotion are complicated issues and, unless the central purposes that should govern the management of a cadre concerned are clear and always kept in view, cadre management may lose its central track and get lost in a mass of detail. The most important decision relates to the weight that should be given to promotion in a particular cadre. At the present moment, we have some grades which are wholly filled by promotion like those of Upper Division Clerks, some predominantly filled by promotion like the grades of Section Officers and others filled mainly by direct recruitment. The question whether a particular grade should be manned wholly or partly by officers promoted from a lower level should be decided on the basis of : (a) the requirements in terms of calibre, qualifications and experience of that particular grade; and (b) the capacity of the lower level to produce personnel of the required kind.

4.30 Actually, there is hardly any level which does not throw up at least a small proportion of talent suitable for the next higher level. However, in the whole spectrum of manning levels, there are discontinuities at some points in the sense that at such points there is a sudden qualitative difference in the attributes required for the next higher level. Thus, there is an obvious discontinuity between Class IV and Class III. Similarly, there is a discontinuity between Class III and Class I. In the case of Class II, the position is not always very clear and, to that extent, the existence of a discontinuity between Class III and Class II depends on the kind of cadre or personnel-aggregate that we are considering. By and large, the division into classes is a manifestation of these discontinuities and the division of each class into grades is, in part or in full, a manifestation of the continuities within a particular class. We have considered the question whether we should do away with classes at least, if not with grades as well, and have reached the conclusion that, to the extent that this approach is based on the inescapable reality of considerable variation in human capability, it is valid—however unpleasant it may be. In these circumstances, it seems to us that the general policy of treating the immediately higher level in any particular class as a predominantly or wholly promotion level and of providing for lateral entry by direct recruitment at points of discontinuity is entirely right. Where a class has more than two levels, an element of discontinuity, in our view, begins entering at the third higher level from the bottom. Therefore, lateral entry even at higher grades in the same class has also to be, and is being rightly, provided for. This is subject to the availability of the required skills outside organisation; as a rule, this happens in the case of research and teaching organisations or some specialist services. But lateral entry naturally fails where the kind of talent required is just not available outside of government and has, therefore, to be developed within it. Here, quite rightly, a very high degree of selectivity should be applied. We are not quite sure that this always happens at present.

#### *Direct Recruitment at two Consecutive Levels*

4.31 In some organisations there is a practice of lateral entry at two and even more consecutive levels. In the research and teaching organisations, where it is useful to have inflow of personnel at all levels, and requisite skills are available outside the organisation, this is a desirable policy. In normal government departments and service cadres, the differentiation is not in terms of institutionally acquired skills or special type of experience but a different level of proficiency in a particular field. For example, the same basic qualifications, namely, a basic degree in a subject, may be required in an organisation at all three levels—junior Class I (Rs. 400—950), senior Class II (Rs. 350—900) and junior Class II (Rs. 325—575). It is true that the three posts will attract different groups of competitors, some common candidates apart, and it can be said that, requirements being different for the three levels, those selected will be of different calibres. This approach, however, ignores one important fact that refinement of merit rating beyond a certain limit is not possible. It is also important to note that direct entry at all the three levels results in inadequate incentives to those at both the lower levels; this affects the



quality of entrants on the one hand and creates dissatisfaction in the organisation on the other. We recommend that, as a matter of general policy, the levels of entry should be so fixed that there is no direct recruitment at two consecutive levels.

### *Promotion Channels*

4.32 Another problem in promotion policies arises from a confusion between posts of actual responsibility and training posts and from unscientific pay structures. Annexure 4(8) shows that with identical internal structures in certain services the promotion ladders are widely different. For example, in the Railway Accounts Service, promotion takes place from senior Class II to junior Class I. The promotees then take their turn along with others for higher posts. In certain other services under the Railways themselves, however, promotion from senior Class II is directly to senior Class I and promotion quota fixed for Class II and junior Class I, is in the ratio 1 : 2. This is analogous to the position as it obtains in the case of the All India Services when Provincial Service officers are promoted directly to senior scale. Similarly, in the Central Public Works Department, promotion to senior Class I is direct from senior Class II while in certain other engineering services like the C.W. P.C. and All India Radio, Class II officers, even though directly recruited, have to get promoted first in junior Class I. We are unable to appreciate this confusion on such a vital issue of personnel management. If a senior Class II man has to mark time in junior Class I, there is no point in his promotion as he continues to do the same job, posts in senior Class II and junior Class I being interchangeable. This practice also results in inequity in matters of seniority etc. We consider this situation unjustified and grossly unfair to the Class II officers and we recommend that the pattern of promotion as in the Indian Administrative Service should be followed as a rule unless there are very special grounds for a contrary practice.

### *Composition of Cadres*

4.33 Usually, for a particular class or grade, there is an initial determination of the proportion of posts that has to be reserved for promotion from lower levels and the proportion that has to be filled by direct recruitment. In the few cases that we have examined, we have just found one instance only of the actual proportions being more or less identical with the intended proportions. Annexure 4(9) gives the actual position in this respect. In the case of the Central Engineering Service, as pointed out by the Mathur Committee, 'the number of Executive Engineers(Civil) including officers on deputation outside the department is at present 87 promotees from Class I and 214 promotees from Class II, as against the correct proportion of 200 : 101.' Similarly, in the case of the Indian Revenue Service, the actual numbers of Direct recruits and Promotees are 609 and 564, as against the intended 720 and 444, respectively. This has also, in some cases, worked against the departmental officers. In the case of Railway Accounts Service there are only 56 promotee officers in the Service as against 201 direct recruits whereas according to the rules one-third vacancies go to promotees.

4.34 We do not wish here to go into the question whether the proportions fixed as between promotees and direct recruits, in each of the examples given, are right or wrong. Being decisions taken at high level after due deliberation, they should be presumed to be right rather than wrong. However, the point we wish to emphasise is that the mechanics of cadre management should not defeat the declared purposes of personnel policy. We do not claim to have understood the intricacies of the process by which this kind of thing happens. In some cases, there are no formally approved recruitment rules and the field is open for *ad hoc* expedients. In some others, requirements as a result of sudden expansions of the cadre are met by promoting those who are at hand. In due course their appointment is regularised and the result is that proportions are distorted for a considerable length of time—more or less till such people retire. Sometimes, posts are suddenly upgraded and existing persons fitted into them after being screened, though they were initially recruited for the lower posts and it is not always the case that going out into the market will not yield better recruits than the ones fitted.

4.35 One other device is to prescribe that vacancies arising from time to time will be filled in a certain ratio rather than that the structure of the cadre as a whole should always reflect certain proportions. Where, for instance, one part of a cadre is manned by deputationists and the other part by promotees, it is inevitable under this prescription that the rapidity with which vacancies arise in the part manned by deputationists should increase the proportion of promotees in the structure as a whole. Thus, if the period of deputation is three years and two deputationists leave after that period, out of the two vacancies arising one will go to a deputationist and the other to a promotee where the proportion is 50 : 50. In the case of the promotee, he continues in the organisation till he retires, thus, considerably reducing the rate at which vacancies arise in the part manned by promotees. How widespread the use of this device is, we do not know. But the field seems to be full of subtle practices which are always not easy to understand. We recommend that cadre management authorities concentrate on getting initially the right decision regarding proportions and, thereafter, on maintaining them. We do not think that the widespread distortion of prescribed proportions is the result of cadre management authorities finding it impossible and beyond their power to maintain the intended proportions.

### *Fluctuation in the Rate of Promotion*

4.36 We find that Deartmental Promotion Committees do not meet regularly. Also, there are considerable variations in the number of promotions made from time to time. Annexure 4 (10) gives the number of officers promoted in different years. In the Indian Audit and Accounts Service, there were only 10 promotions in 1961, 22 in 1962, 15 in 1963, which came down to 5 in 1965. In the Indian Revenue Service, one is surprised by the biennial promotion frequency of large numbers of officers. In the Central Engineering Service, similarly, the number of promotions varied

between two and twenty-two in the last five years and in the Central Electrical Engineering Service between 0 and 7. We are surprised at the variation in the numbers promoted from year to year. Besides the inherent injustice to those who could not be promoted in earlier years because of lack of vacancies, unevenness in promotions leads to unintended demoralisation and whisper campaigns. On the one hand, it creates hope in a large group of officers who are once considered but not selected; but then ensues utter dissatisfaction as many of them may not even be considered in the following years if a smaller number of vacancies are filled by promotion. To illustrate, suppose in a year, 20 officers are to be promoted. In the process, if five times the number of officers are normally considered, the field of choice extends to the 100th officer. If the last officer is outstanding, he may be promoted. Besides causing some resentment in those superseded, it also gives them the satisfaction of being in the field of promotion and hope of being considered in the following year; even a certain block of officers below the 100th, say, upto the 120th, begin to aspire and hope for promotion in the near future. However, if in the succeeding years, only five vacancies go to promotees each year, at the most, 25 officers at the top are considered, leaving each time a large chunk of officers out of consideration altogether for years who were once considered and superseded. We recommend that the cadre authorities should avoid sharp fluctuations in the promotion figures and the figures should be steady subject to variation of 25 per cent either way. Sudden addition of vacancies should be spread over a period of 3 to 5 years.

4-37 We consider an erratic promotion programme extremely unfair to those expecting to be normally promoted after having put in good and satisfactory service for at least the required number of years. In one particular instance relating to promotions to one Central Service, we understand that there was an interval of eight years between two Departmental Promotion Committee meetings. We are surprised at this state of affairs because it should not be very difficult to introduce some kind of regularity into this matter. There is no reason, for example, why the Central Personnel Agency, or whosoever is responsible for these matters at present, should not determine, firstly, the periodicity of Departmental Promotion Committee meetings in the case of each service or cadre, and, secondly, to fix the date and the month in which the Departmental Promotion Committee should meet. We recommend that the Central Personnel Agency should deal with this matter on the lines we have suggested. Once it is accepted that promotion can take place only after the Departmental Promotion Committee has considered eligible persons, obviously time has to be found by the members of the Committee for a meeting. If this is inevitable, we see no reason at all why the whole thing should be left in an uncertain state. In consultation with the Union Public Service Commission and the cadre management authorities, a regular roster can be, and should be, prepared.

#### *Annual Confidential Reports*

4-38. The annual confidential reports written about officials play an important role in promotions. The system of writing these reports

has been reviewed from time to time, though no reasonably satisfactory system has yet been evolved. We have nothing to say on this point excepts that government are keen on bringing about as much improvement as possible in the system of reporting. There are, however, a few general points that we would like to make. It appears that the importance attached to an "outstanding" entry has resulted in a profusion of such entries. In a given group of persons with certain common characteristics, it is only a small proportion (which could conceivably go up to as much as 10% or so) that is likely to be "outstanding". Some mechanics must be devised by which these probabilities are not totally vitiated by the system of reporting. This is necessary for an obvious reason. If, in due course, most officials have "outstanding" reports, we may have to introduce some other refinements in the nature of "outstanding plus" or "outstanding minus" and so on. This will again lead to a similar situation and the prospect is one of the cycle repeating itself indefinitely. It is necessary that some authority periodically look into all the reports about a particular group of officials and attempt some kind of further grading.

4·39 The grading of a particular official should have reference not to some pre-conceived notion of what "outstanding" should mean but to the kind of talent that one should normally expect to flow into that level, given the emoluments attached to that level and other terms and conditions and given the educational and social set-up. What we mean more concretely is this : in grading a clerk, it would be unfair to judge him by standards appropriate in the case of the I.A.S. Grading should be relativistic rather than absolutist.

4·40 In the case of at least Class I and senior Class II officers, it is necessary specifically to indicate whether the official concerned shows organisational, managerial or high-level administrative talent. The relevance of this recommendation to personnel development programmes needs no elaboration.

#### *Promotion Expectancy in Services*

4·41 The concern about promotion opportunities has become almost an obsession in all organisations at all levels. There are three reasons for this :

- (i) the sudden expansion of job opportunities during the post-independence period;
- (ii) financial laxity or indiscipline in government expenditure; and
- (iii) higher emoluments in the private sector at the middle and lower middle levels coupled with fast expansion there.

4·42 In the context of heavy expenditure in various activities of government, an attitude of callousness and unconcern about public funds arose; it became much easier to create a few positions, not infrequently with a view to accommodating persons working in the lower positions, irrespective of whether they are strictly required or not. Thus, both genuine and contrived additions made available so much room at the higher levels that any one who was good enough and had the minimum

stipulated experience was promoted. And, as could be expected, what was seen recurring for a sufficiently long time began to be considered as normal. We have illustrated earlier how, many a time, even cadre authorities became a party to a systematic policy of managing the services in such a way that quick promotions could be guaranteed. We find almost a regular competition amongst different interests in providing better opportunities to their own employees without taking any note of the requirements of an overall personnel policy either within a department or at the national level. Not even full examination of the consequences of certain propositions, supported by off-hand remarks and conjectures, is made. For example, one often hears that an average government servant should be provided with opportunities of moving up at least by two stages in his working life but no one defines the term 'average' or whether the proposition is applicable to only a particular group or to all public personnel at every level. We are not aware of any personnel structure which can satisfy this requirement if by 'average' is meant, as it should mean, a person who performs his duties satisfactorily; average in a reasonably well-organised unit would, thus, comprise about 70% of the staff. Even if it is considered desirable that two promotion chances should be built into the system, it is not feasible within the frame of the present salary structure which comprises long and dispersed pay scales. A small number of scales and liberal promotion opportunities do not go together. Even if more scales are introduced, in a stable situation, much less in a situation where we contemplate reduction in personnel, nothing more than limited promotion opportunities, dictated strictly by organisational requirements, can be assured. There appears to be no appreciation of the facts that the reward of satisfactory performance of duties is the pay which the individual draws, that promotion is really dependent primarily on availability of higher positions and that outstanding performance is a necessary but not sufficient condition for promotion. The impracticability of providing larger promotion opportunities in the lower grades is very often realised when one is confronted with the size of the problem in clear statistical terms. The clamour for promotion is more pronounced at higher levels. The demand is supported by numerous rationalisations and by building up apparently convincing arguments. All those arguments boil down to one demand, though not explicitly expressed, that an average individual joining any activity—teaching, research administration—at or near junior Class I or senior Class II must be assured of reaching a minimum level of, say, Rs. 1,500 or Rs. 1,800 by the end of his career, the outstanding or even 'above average' among them, even higher. If this is accepted as a guiding principle of personnel policy, it will necessarily mean *de facto* upgrading of all positions without admitting it in clear terms. This, in fact, is what the uncoordinated and partial solutions attempted from time to time are gradually leading to; the unification of junior Class I and senior Class I posts in some services as a result of Second Pay Commission's recommendations and consequent revision of pay structures in some others may serve as an example. There is a sort of invisible, behind the scene competition for upgradation of posts, services etc; the question in each case is, if one sector or one service can have something, why shall the same benefits be denied to another

sector, quoting favourable points and ignoring the inconvenient ones. If such loose arguments are allowed their run to their logical conclusion, this only means that almost all higher jobs in the national economy should be upgraded, irrespective of the actual job content just to satisfy the general desire for advancement.

4.43 We are concerned about the heavy financial implications which such tendencies will throw on society and in the present stage of development and the level of per capita income, this cannot be thought of at all. Selectivity must be built into every system, no matter what field of activity; each one in the nation has to reconcile himself to having to work in a particular grade, giving his best in that capacity, getting paid for the job according to a scale and expecting a promotion only when a chance in the normal course arises. We may recall the situation in pre-independence days when a large number of ICS officers retired as Collectors—the grade of their entry—one also found many renowned men working as lecturers in universities. Even in advanced countries, a Nobel laureate and well-known scientist may be working just as a lecturer or reader.

4.44 We wish to place on record that, at higher levels, it is intangibles like satisfaction of performing the job, one's contribution to nation building and the realisation of the relativity of one's remuneration, not with those in the higher brackets, but with the mass of the people, etc., which should take the place of pride amongst motivational factors for higher performance.

#### PAY POLICIES

##### *Emoluments & Quality of Personnel*

4.45 Even though policies relating to emoluments are fundamental to personnel administration, it is not our intention to deal with this matter in detail. The subject is vast and complex and is in any case likely to be examined from time to time. We shall, therefore, point out only a few general points for consideration. As the economy develops, the demands of the non-governmental sectors of the economy on the pool of talent available are bound to increase and, to the extent that terms and conditions under government are less favourable, the diversion of talent away from government is likely to be further accentuated. In any determination of the general level of emoluments in government, it is, therefore, necessary to be quite clear whether the pay policy of government should, or should not, try and attract towards government the amount of talent that it requires for its own purposes. The question, in other words, is whether government should figure as an active competitor in the employment market or should be satisfied with being a residual receiver. We wonder whether there can be any doubt about what the answer to this question should be. Clearly, the role of government in relation to economic and social aspects of national life has become very important; not only is the role of the promotional policies of government decisive in determining the pattern of growth but government are also a considerable owner of industry in their own right. The calibre required for dealing with economic planning, industrial development, monetary policy, regulation of

income and wages, etc., cannot be said to be anything less than that required for the management of large industrial or commercial establishments. We are, therefore, of the view that, particularly at the higher levels, there is likely to be real need, for some decades to come, to follow a forward policy in the matter of emoluments so that government is assured of its share of high level talent. We are surprised that a contrary view has been expressed in some quarters; we are afraid that this is extremely short-sighted. We suggest that the basic issue is whether or not government will continue indefinitely to be an administratively complex combination of the roles of regulator, developer, promoter and owner as they are at present; if it is to continue so to be, that really high level talent will be required by government in considerable measure, in our view, follows automatically and is not open to argument. At the lower levels government will have to continue to be a model employer and it is not unlikely that levels of remuneration will be somewhat higher than justified by purely market considerations.

4.46 The quality of personnel entering the employment not only in general terms but also in relation to the particular kind of talent required for a particular service or cadre should be periodically reviewed by the Central Personnel Agency. Some such reviews are now being carried out as and when necessary, but, there is need to be forewarned of such trends as may be imperceptibly emerging. The conclusions of such a review need not always be that emoluments are unsatisfactory; they could also be that, irrespective of emoluments the best that government can get is, in absolute terms, not good enough. Sometimes, there may be a decline in quality because the kind of student that goes in for the kind of education required for a particular service or cadre, is himself of not very high quality; in such circumstances, the satisfaction of the manning needs of public administration will involve much more wide-ranging measures; some of them may have to be concerned with modifications to the educational system itself. At the present moment, concern with the quality of personnel in public administration is not either very active or persistent. We recommend that such concern should exist and that the approach to problems of quality be systematic.

4.47 In the specific case of agriculture, it is only recently that there has been some recognition of the need for improving the financial attractiveness of the agriculture service of government. For a long time, it was relatively low paid and was hardly in demand outside of government so that the quality of the student that entered agricultural colleges was, by no means, high. The central position that agriculture occupies now in economic planning seems to indicate that all possible measures be taken for improving the quality of the agriculture graduate. This is a particular instance of a general inadequacy in our personnel policies. We recommend that the best men in each field of specialisation should have the same initial start under government; the average prospects, however, depend on many variables. It should not be the case that some fields are difficult not only to enter but also to prosper in, while others are relatively easy. Unless there is some such equalisation, it will be difficult for government to assure itself of a satisfactory supply of really good talent.

### *Pay Structures*

4.48 We will not go into the historical evolution of pay structures in India. It will be sufficient to mention that so long as the emoluments were far above the per capita national income and where entry into the government service was itself a privilege, the question of internal horizontal relativities was secondary. A fast decline in the value of money and near stationary pay scales specially at the higher levels have brought a large section of government servants within a zone where the problem is that of making both ends meet. At a time when the initial salary of a Sub-Inspector was Rs. 80 per month and that of an I.C.S. Officer Rs. 450 and when Rs. 80 itself was an astronomical figure as one could get a domestic servant at Rs. 6 per month, even a 'low' paid official did not bother much about what lay beyond his own salary range. Now that the daily wage-earner also expects about three rupees per day and a sub-Inspector starts at Rs. 150 per month, his view of his emoluments naturally undergoes a change, notwithstanding the fact that an I.A.S. officer starts at Rs. 400.00. A rationalisation of pay structures on scientific lines, therefore, becomes, in the changed circumstances, a pre-requisite for a healthy personnel policy.

4.49 We have referred to the fact that government employment in India is likely to continue to be a life-long profession for a vast majority of its employees. In the deteriorating employment situation, we do not see any chance of retrieving this position except perhaps in those fields where a homogeneous skill market develops. It is also quite clear that, if a large majority of individuals are to enter government service and be there for the entire life, no structure can provide even one step promotion to an average government servant. This is clearly brought out by the structures which we have studied (Annexures 4(11) & 4(12)). Thus, in the absence of a turn-over common to the western economies and in the context of a socialistic and forward-looking personnel policy, a career time-scale is perhaps one of the pre-requisites for a contented civil service. We have taken note of the theories which are prevalent now in western countries that an average spread of a salary scale should be round about 33% and each scale should be divided into 5 steps on the basis of the fact that, in most of the jobs at lower levels an individual attains the peak of his proficiency in 3-5 years and if a company or a government is to get its money's worth, the salary must be frozen thereafter. This theory is not applicable to Indian conditions and a long pay scale has to be provided to keep the services contented. As a matter of fact, the mid-point of the scale should be treated as the real point of comparison and it has to be assumed that in the early years of his life, the individual is being paid less than what that job costs and in the latter half he is being compensated. In the present employment market, we cannot advocate a shorter pay scale in the higher services as well because, firstly, it will affect the quality of personnel seeking entry to the service and, secondly, which is equally important, it may compromise the position of higher officers and it may be difficult for them to stand pressures, which are very much a fact of our life, if they are to look up for a promotion every five years or so.



4.50 The basic principle, therefore, governing the long pay scales as we have today seems to be unexceptionable. However, it does not mean that all is well with the present structures. The pay scales in various services and various positions at present are a result of historical evolution, on the one hand, and negotiations on behalf of individuals and groups on the other. It is difficult to persuade ourselves that pay scales as they stand today relate to meticulously distinguished levels of actual responsibility. In our view, the remuneration has to be related to :

- (i) the basic educational requirements;
- (ii) levels of proficiency requirements within each group;
- (iii) levels of responsibility; and
- (iv) service conditions.

4.51 It would always be possible to grade positions in different professional categories vertically keeping in view the above factors. It is also possible that the levels in terms of their position values so determined are distinguishable from each other if the difference is of the order of about 15-20%, as it may not be possible to distinguish between two positions which differ from each other to a smaller degree. Similarly, it will not be desirable to group positions differing by more than, say, 25% from each other within the same salary grade. A look at the pay scales of a typical hierarchy will show certain features which, it is difficult to hold, have been found justified by a process of meticulous investigations. [Annexure 4(13)] There is a highly irregular pattern of first order differences (*i.e.*, differences between each consecutive year relating to minima and maxima of pay scales) that cannot be held to relate to differences in ability and qualifications at these levels. In some cases, the difference is as little as 5-7% while in others, it is as wide as 100%. This results in changes in jobs assigned which may be big enough to represent real advancement without any monetary advantage to the individual or even a formal recognition of this merit. We, therefore, recommend that salary scales may be so designed that the mean of the higher scale is about 15-20% more than the mean of the next lower scale. The time scale may be about 18 years long and the increments may be so adjusted that the final salary in any scale is about twice the initial salary. An illustrative structure is appended. [cf. Annexure 4(14)].

4.52 The structure suggested by us also takes into account the fact that the present salary structure generally favours the higher groups. For example, the analysis of the existing salary structures shows [Annexure 4(13)] that the amounts of increment at different levels not only differ in absolute terms, but differ quite widely in percentage terms. In the case of the lowest grade of peons, it is not even 1%, in the case of Lower Division Clerks it is 3.6%, in the case of Assistants 7% and in the case of Section Officers 8.5%. We do not think that, if the principle of annual increments is to keep up the efficiency of the individual, such wide differences are justified. In our illustration, an average 5% increase has been suggested for all scales. In the existing scales, another consequence of

the same phenomenon is that in the case of Lower Division Clerks the maximum is only 64% higher than the minimum, in the case of Upper Division Clerks 115% higher, in the case of Assistants 152% and in the case of Section Officers 160%. In our illustration it is kept at about twice the minimum. However, for the higher services where the preparatory period for undertaking the actual levels of responsibility is long, the comparison of the highest pay with the entry pay would not be correct. To guard against this mis-interpretation, the training scales should be distinct from the grades relating to actual responsibility. We have already referred to this while comparing the scale of Class II and junior Class I. Once scientifically graded structures have been introduced, it should not be difficult to prescribe that a particular lower grade may be treated as training grade for a specific period for persons entering higher services. After spending a specified time, they can move on to the higher grades without compromising any of the principles outlined by us.

4.53 We consider that the principle of equal pay for equal work may be recognised for the entire country for both the Central and the State Governments and even local bodies. Already we are witnessing a country-wide agitation for equal D.A. With the increasing activities of the Central Government in a large number of sectors, personnel belonging to the Central Government and to the State Governments will have occasion to work side by side in much larger numbers. We would, therefore, suggest that this problem be faced objectively with careful deliberation; it will be unfortunate if government is forced into a decision as a result of mounting pressures in a hurry. The levels of responsibility etc. should, however, not be confused with the nomenclature given to different posts in different governments. If on the basis of job evaluation, the job index is the same, no matter whether the job is under the State Government or the Central Government, the same salary must be attached to both the jobs. We fully appreciate the difficulties which are likely to arise in this process. Difficulties have to be faced once it is accepted that government is going to extend its areas of activity.

4.54 With this acceptance is associated another principle that as many variable co-efficients of a job-situation as possible have also got to be standardised. For example, the City Compensatory Allowance as at present given is perhaps not really a city compensatory allowance but only meets a part of the added cost. As one goes higher up in the scale of pay, the compensation is almost insignificant. If the principle of compensating higher costs in cities is accepted, its full logic must be recognised and no doctrinaire considerations should be allowed to interfere. Extending the argument of basic equality of pay for equal work, it may be necessary to work out the regional components of a salary based on the regional cost of living and also a 'locational component' within the same region. For the purposes of regional indices a State or a group of States, may be taken to be an appropriate unit. For locational indices, groups of cities on the basis of their population or any other objectively evolved criteria may be worked out. For example, if it is found that the cost of living in Maharashtra is higher than the national cost of living a fixed

percentage could be added to all those who are serving in Maharashtra. Within Maharashtra again, another component could be added for those who are working in Bombay and Poona on a graded scale. Those working in rural areas or small towns will get only the Maharashtra component. We can think of quite a few other salary components which should be given to government servants. For example, an educational allowance could be added to those working in backward areas depending on the number of children. This will reduce the unattractiveness of unfavourable postings.

4.55 We do not like these matters to be dealt with on an *ad hoc* basis. This should be a continuous process and regionally based units either under the State Governments, or under the Central Government, should continuously attend to this job. This would appear to be a more complicated system than the one that obtains at present. But if the problem is not faced boldly, we may have to live with continuous pressures for postings in Delhi and bigger towns, pressure groups working for individual's postings, etc. We do not wish to belittle the difficulty in switching over to a system as outlined by us, but this has to be done on a long term basis and on well-considered principles so that the public administration in the country is brought back to a reasonably balanced stage.

#### *Anomalies in Emoluments*

4.56 We would like to illustrate a few anomalies which are glaring and things like which will be much more frequent if what we have said is not accepted. We may recall the four basic determinants of emoluments of public services. We would like to compare two positions of medical doctors. One, a junior position in a big hospital in Delhi and another that of a primary health centre in-charge in a rural area, say, in Orissa. In terms of basic educational qualifications, the requirements for both posts are the same. In terms of competence required the officer in Delhi occupies a small niche in a big organisation and is assigned a small speciality, deals with routine cases, has by his side a long chain of experts to whom he can refer the patient for various kinds of diagnosis and call for reports and, finally in the case of the slightest complication, refer the case to a higher medical doctor or to a higher specialist. Compared to this, the doctor in-charge of a primary health centre is all unto himself, may have to attend to cases ranging from simple hurt to the most complicated cases in gynaecology, ophthalmology, severe burns, or fatal accidents. He is his own expert. Referring a case may really amount to taking a decision between life and death. It would be clear, therefore, that there is a big difference between the requirements of competence for these two individuals. Regarding levels of responsibility also, there is a big difference; for the one in Delhi, it is almost negligible in the context of almost an entire pyramid at the base of which this doctor is located. The sole occupant of a solitary post in a rural area shoulders the entire responsibility which his profession can put on him. Again, the service conditions also are widely different. There is no recognition of these differences in the salaries offered to these two. The one in Delhi is in the

scale of Rs. 400—1250 with 50% non-practising allowance, Rs. 75.00 City Compensatory Allowance, etc. Thus an officer in-charge of a dispensary in a New Delhi area will be drawing more than Rs.2,000.00 if he is senior enough. An Assistant Surgeon in a primary health centre is in the grade Rs. 300—780 with 25% non-practising allowance. In West Bengal an M.B.B.S. may be even employed in a scale of Rs. 225—475 with Rs. 40—75 as non-practising allowance. This anomaly is not limited to posts under different governments. A glance at a few posts included in the Central Health Service itself would again show that the basic principles of salary determination have not been followed. A junior officer in a big hospital is in the scale of Rs. 400—1250, while doctors with similar designations (perhaps with higher responsibilities as explained earlier) in different areas like Manipur, Tripura, or Laccadive or in mining district in Bihar, Rajasthan, are in the Class II grade of Rs. 350—900. We need not dwell upon the post in the Minicoy Islands, the geographical location will speak for itself. We do not know how the proposed Indian Medical Service is going to conform to this structure where junior positions in big hospitals have come to be equated to much more important positions in district hospitals. (Rs. 350—750 for Civil Surgeons in Bihar, Rs. 350—850 in Madhya Pradesh and similar scales in a large number of other States). This is bound to result in a spiral of wage increases for the medical profession, which, with the requirements of increasing numbers in times to come, is bound to be heavy on the public exchequer of all State Governments.

4.57 The example of doctors has thus illustrated the case where salary differentials tend to be inversely proportional to the distance of a post or a cadre from the centre of authority, be it Delhi in the case of Central Government, State capitals in the State Governments, or company headquarters in the case of public undertakings. There is yet another genre of anomalies which has arisen as a result of salary determination following some so-called 'modern' ideas. In this process, a large category of humble officials, specially those performing traditional functions, are forgotten. The burden on the exchequer goes on increasing and, whenever their case is considered, it is lost in the enormity of the big issue. These services cannot form a pressure group, nor can they catch the public eye—which the newer and more 'glamorous' departments can easily do. We are referring here to the traditional departments like police and revenue which form the 'infra structure' for the entire national, political and economic activity, yet in the more 'important' day to day discussions are often in the background. The lowest responsible officials in these departments who come in touch with the public very intimately are the Sub-Inspectors of Police and Naib-Tehsildars of the Revenue Department. The salary scales attached in many states to the post of sub-inspector are in the neighbourhood of Rs. 150 to 250. On the other hand, quite a few new departments have arisen and in their hierarchies persons with much 'less' responsibilities have been treated more liberally. Sectoral approaches to the problem disturb the entire balance and the chances of restoration of the balance recede.

4.58 At this stage, we must also do some frank talking about yet another associated point. As soon as the question of emoluments of these officials in the police or in the revenue is taken up eye-brows are raised and the unhealthy practices which are said to be associated with these posts are mentioned. We do not think that corruption has much to do with the level of emoluments. A large number of these humble officials are honest and we are seriously concerned about a situation in which the honest have to suffer. High levels of responsibility coupled with not even subsistence emoluments, specially in the context of higher emoluments in other sectors giving rise to feeling of being treated unjustly, are likely to be breeding grounds of corruption and no amount of exhortations can improve the situation. We, therefore, consider that, before taking up revision of emoluments in a sector on the ground that certain other sectors are getting more, the correct policy would be to first compare the relativity with the lower levels and with other government sectors placed less favourably and examine whether the net result would be greater imbalance. If this were the guiding principle, the pay policy would be more realistic—the rise in same sectors would, in that case, be tempered by the needs of others.

#### *Pay Commissions*

4.59 The internal relativity of the pay structure in public administration obviously suggests that problems of revision of pay scales should, as a rule, be tackled as a whole rather than that the pay structure of a particular service or cadre be tackled in isolation. It is true that pressures often develop and that agitations are often launched. These cannot, however, be valid grounds for doing something likely to damage the calibre and morale of the public services as a whole. In the conditions in which we are situated, it seems to us likely that pay questions will be under more or less continual consideration. The better solution to this problem would be to create a Pay and Allowances Division in the Central Personnel Agency. The Pay Research Unit that, we understand, has already been established in the Ministry of Finance should be transferred to the Central Personnel Agency and form the nucleus of this Division. We suggest that this Division should be suitably staffed not only by experienced public servants, but also by some experts drawn from outside government. It is just not possible for a Pay Commission, suddenly come into existence, to gather all the material, conduct the necessary studies, hold interviews and make well-considered recommendations—all this in a year or two. The Pay and Allowances Division of the Central Personnel Agency could, on a permanent basis, keep collecting all the material that is likely to be relevant for a Pay Commission's job—in addition to such other duties as it may choose to perform. The advantage of this arrangement will be that, when a Pay Commission is appointed, it will have a mass of information readily available in suitable form. There should be a regular interval between one Pay Commission and another. We, therefore, recommend that a Pay Commission should be appointed every ten years. These Pay Commissions should be headed by outstanding public men of high reputation—like Judges of High Courts or Judges of the Supreme Court or Chairman or Members of Public Service Commissions,

etc. No Pay commission should be saddled with the responsibility of reaching down to the level of detail in its recommendations that the Second Pay Commission did. A number of key issues should be framed so that, if the well-considered opinions of the Pay Commission on them are available, the rest of the work can be dealt with in the usual course by the Pay and Allowances Division. We have no doubt that the formulation of the key issues is itself likely to be a very difficult process.

4.60 If Pay Commissions limit themselves to key issues, their views should also be useful in a broad indicative sense to State Governments as well. The Personnel departments of State Governments, with the help, if necessary, of the Central Pay & Allowances Division at the Centre, should take follow up action in accordance with the General principles outlined above.

### *National Pay Policy*

4.61 We have accepted the principle of relativity between the public and private employment on the ground that the government has to enter a common skill market and must pay what has to be paid if it wants personnel of right quality. The government, however, cannot take the view of a private employer who can change his bid at a very short notice. For one, the government is the largest employer and, as we have said earlier, the rate of growth of employment under the government and the autonomous sector far exceeds the rate of growth in the private sector. A change at any one point may have far reaching effects. Secondly, the government, in a planned economy, directs the broad social policy and in its turn has to abide by the policies so formulated. The question of minimum and maximum remuneration, therefore, assumes very great importance.

4.62 The Second Pay Commission had examined the question in great detail and reached the conclusion\* that :

“the minimum wage or salary should not be determined merely on economic considerations, but should satisfy also a social test—both because of its intrinsic validity and because of its bearing on efficiency. We have come to the further conclusion that even above the minimum level Government should remunerate their employees fairly: for, those who serve the State, as well as others, are entitled to fair wages.”

The principle as enunciated is unexceptionable and we agree with it. Regarding the maximum remuneration the Commission again observed that “a combination of social and economic considerations is appropriate also in the determination of the highest salaries”. While on the question of actual determination of the highest incomes they observed† that :

“We are definitely of the view that it would be completely wrong to think of emoluments of public servants in terms of those of the

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\*Report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, p. 24.

†Ibid., p. 85.

highest incomes in the professions, or the higher incomes in business and industry. There are risks in professional, business and industrial careers from which careers in the public service are free; and those who choose security may not reasonably aspire to the glittering prizes open to persons who take risks."

Further,

"There is the honour and the prestige—somewhat attenuated in recent years but still considerable; and there are opportunities for full and continuous use of talent, and for the exercise of influence in the shaping of public policies and programmes. To many on the eve of selecting a career, the public service appears to stand out among salaried employments because those who enter it are servants of the public, not of individuals, and accountable ultimately to the supreme constituted authority in the country. We have no doubt that these non-economic conditions impart to the public service an attractiveness which is present now, and which will continue unless the gap between the emoluments of public servants and those available to persons with comparable talents and qualifications in other walks of life, in particular in salaried appointments, is very wide."

4.63 We agree with the Commission's emphasis on the intangible rewards of a public service career and their observations that public service requires certain human qualities and acceptance of a scale of values with which the mere pursuit of wealth is not quite compatible. Throughout our deliberations this basic approach has been in our view. But we are constrained to note that, during the last few years, the salaries of public servants have been eroded by the rise in prices. The rewards in the private sector—apart from the considerations of risk—have been reflecting the process of concentration of wealth and the general high profit rates accruing to this sector. More often than not, a substantial part of remuneration has taken the shape of pre-requisites and the 'expense account' is quite well known. It also appears that the prestige which went with the public services some time back has also suffered to some extent and the attractiveness does not remain as high as one would wish it to be. We fully realise that highest public salaries cannot be considered entirely by themselves in disregard of the income structure in the country, but a structure of emoluments that does not reflect the structure of emoluments outside employment will be unrealistic. Here we are faced with a dilemma. Any general rise in salaries in government is likely to be neutralised by proportionate, or even more than proportionate, rises in the private sector, without thus making a difference in the relative position for an appreciable length of time. We are fully aware that even the salary structure, as we have, contemplates a minimum of 5% rise which is more than the rise in per capita income of the country in recent years. Any step in the direction of further overall increase of salaries will only mean a dent in the share of some other groups. We, therefore, cannot contemplate a rise in the maximum of

the salaries but, as a matter of public policy, it would be necessary that salary incomes in the private sector are also regulated by government. We appreciate the difficulties which such a measure is likely to encounter, but the alternative is a perpetual competition between the public sector and the private sector, both of them passing on the burden to the common man.

4.64 We are surprised to find that, in the last round of increase of pay scales, the maximum increase was at the highest level. Joint Secretaries and higher officers got an overall increase of Rs. 500.00 p.m. raising the maximum salary of civil servants from Rs. 3,000.00 p.m. to Rs. 3,500.00 p.m. We are not sure that this kind of piece-meal approach is right.

4.65 Subject to evolving an appropriate national pay policy, we consider that the government must enforce a maximum differential of twenty five times between the lowest and the highest all over the country within a reasonable time. Even this differential is far too high compared to what obtains in developing and developed countries like Japan, U.S.A. or the U. K. We consider that a national minimum of Rs. 75.00 p.m. should be accepted for the entire public sector, irrespective of the place and position of work. We are aware that this is much lower than the lowest salary in the Central Government, but our recommendation takes into account the fact that it will be higher than many salary-scales prevalent in many local bodies, schools, etc. 53.6 per cent of the Central Government employees are drawing less than Rs. 100/- p.m. The proportion should be larger in States and much larger in local bodies. A substantially higher minimum would entail a considerable financial burden. This minimum is, however, basic and should be supplemented by other components like the regional and the locational. In accordance with our earlier recommendations these components would be substantial and not notional.

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4.66 At the other extreme, we would suggest, that, in the first instance, the highest salaries be brought down to Rs. 2,500.00 p.m. The ultimate aim should be to raise the minimum to Rs. 100.00 and bring down the maximum to Rs. 2000.00. The existing salary scales should be telescoped such that the highest is brought down to Rs. 2,500.00 and the Rs. 200/- point remains stationary. This scaling down should not await a complete redesign of salary structures which, we consider, is a long-term process and can be undertaken only over a period of time. The transitional structures of new scales should keep the same relativity as between the prevalent scales. The final shape of the salary structure should, however, in accordance with our earlier recommendations in this respect, be determined on the basis of detailed job evaluation and position classification.

4.66-A. Some of us, however, feel that this approach is not likely to serve the larger interests of the country. According to them, it is not only the very real and almost insuperable administrative difficulties



involved in enforcing such a maximum that one needs to bear in mind in this connection; they think that imposing a ceiling will definitely impede the process of economic development. In the kind of mixed economy that we have, incentives in the form of higher rewards, particularly in areas requiring considerable entrepreneurial risk-bearing talent, are highly relevant and inescapable. The amount of high-quality administrative manpower that we have is not unlimited and should be utilised in discharging as efficiently as possible the many responsibilities that the State has already chosen to take upon itself. Finally, the implementation of any such policy is likely to create new opportunities for corruption.

### *Misutilisation of Personnel*

4.67 The most harmful effect of imbalance in pay structure is the misutilisation of personnel. Those organisations which are able to create higher positions tend to utilise high level talent for jobs which can be equally well or perhaps better performed by persons in lower grades. In Government of India, one can find qualified engineers doing file work, highly qualified medical doctors joining lower positions simply because they carry higher emoluments and qualified educationists for the same reason occupying a niche in a ministry requiring just average calibre; agricultural scientists may be attracted to headquarters organisations for doing routine paper work leaving important field positions.

4.67-A. As a logical extension of the same principle, positions nearest the Ministers are much over-valued. Their private Secretaries are of the level of Deputy Secretaries and even Joint Secretaries. Not only are these positions upgraded but they also want the best persons from the corresponding grades for these positions. For example, we find that a number of IAS officers are working as Private Secretaries even to Ministers of States. This, in a number of cases, is not fair to the officer concerned and is not in his professional interest. This formative period of their career, which these officers should have spent in important administrative positions, is spent in fixing appointments and, at the best in being a disinterested observer of things happening all round. Appointments to these positions have become a status symbol and divorced from functional requirements. This practice of misutilisation of high level personnel should be discontinued and posts attached to Ministers properly valued in terms of actual responsibility.

### *Temporary Employees*

4.68 The problem of temporary employees is an important issue in Indian personnel administration and the Study Team on Morale, etc., will be considering it in some detail. We would like to touch upon the subject in the restricted context of cadre management and associated problems. The difference between temporary and permanent employees, in terms of benefits accruing to them, has narrowed down considerably in the last decade or so. The two Pay Commissions examined the question in considerable depth and made a strong plea for making as many employees and organisations permanent as possible. We cannot improve

upon their recommendations in this regard and would urge the government to take suitable follow up action.

4.69 In the context of our recommendations for a personnel policy based on the formation of regular services to the maximum extent we would like to stress the point that a much more considered and systematic examination of the issue of temporary employees by the personnel authorities becomes imperative. We shall illustrate. Take the case of an organisation in which all posts are temporary and all officers are also recruited on a temporary basis. All officers in this organisation are at par with one another, the chances of promotion to higher positions are the same and there are no complications about seniority. In another organisation, where the positions are manned partly by permanent officers and partly by temporary officers, the situation is entirely different. Here temporary officers are worse off; much more so, if there is an organised service to man permanent positions. What happens is that *all* posts, *permanent* or *temporary*, above the initial entry level, go to permanent officers or service officers by virtue of their being senior to all temporary officers. The absolute number of service officers manning the entry scale is also reduced by the number of temporary posts in the higher grades, which are all held by them. Thus temporary officers occupy not only temporary positions in the entry grade but also permanent posts notionally held by permanent officers in the entry grade. Similarly in those cases where no provision is made in cadre structures for deputation, etc., the number of temporary employees increases still further. The discussion in 'Some Aspects of Cadre Management' in Annexure 4(7) clearly shows that, in effect, the presence of temporary posts and their filling by non-service temporary officers results, for the purposes of promotion prospects of service personnel, in an increase in higher posts and decrease in lower posts, thus increasing the promotion coefficient on both counts; this is reflected in lower 'selectivity' and earlier promotions which, however, is at the cost of temporary officers who are cut off from the main stream and form almost a stagnant pool. The service officers to the supervisory jobs, while the temporary ones carry the actual burden on their shoulders. Here we may recall our earlier analysis of the direct-charge positions in some services which are held by temporary Class I or II or Class III officers. Also this is what is happening, to some extent, in the Railways where there is a sizeable number of *unclassified* posts equivalent to junior Class I and only a small number of them are taken each year into the regular service. Because of the general rule about seniority that a permanent person in the same grade is senior to a temporary one, whatever their lengths of service, persons with long standing in the entry grade are placed below those who join the permanent posts much later. These conditions are no longer mere exceptions; they have become a regular feature of some personnel units.

4.70 We consider this situation inequitable, specially when entry both to the permanent and the temporary posts is at the same level, both officers work in the same positions and have the same academic qualifications. The source of entry cannot for long be considered to justify

a differential of the dimension created by this system. These rigours of rules have, in some cases, been softened by giving some weightage for temporary service for the purposes of seniority, but the basic question in most cases remains unsolved. We do not approve distortion of cadre composition on this ground and recommend that cadre structures should provide for all positions whether temporary or permanent.

4.71 Another aspect of the problem which we would like to highlight was observed by the Second Pay Commission itself. The quality of personnel entering a department begins to deteriorate if recruitment is not properly planned. We entirely agree with the diagnosis of the Second Pay Commission:

“Some good candidates who would apply for permanent posts, shy away from temporary ones. Even the appointing authorities may not always exercise the same degree of circumspection in making temporary as they would in making permanent appointments, though it is well-known that once a person has been in temporary service for some years, his claim to permanency is often given precedence over that of a more qualified candidate not in service. And once a service has a considerable temporary element further recruitment also usually continues to be made on a temporary basis; the lowering of the standard of recruits may well thus be cumulative”.\*

4.72 We have noted that generally advertisements by the UPSC carry three categories of posts:

- (i) Permanent;
- (ii) Temporary but likely to continue indefinitely; and
- (iii) Temporary.

There is a convention that in case a temporary post likely to continue indefinitely is made permanent, no further screening of candidates is done and the same individual is appointed to the post. However, in case a temporary post is made permanent, all the formalities of advertising the post and making fresh selection are gone through. As a matter of fact, there are very few posts which are advertised in the first instance as permanent and, perhaps, on the basis of experience, the UPSC have come to the conclusion that the quality of personnel in the first two cases is not likely to differ significantly. We feel that this principle may be further extended and, even for the purposes of seniority etc., there should be no distinction between persons appointed to posts likely to continue indefinitely and those appointed to permanent posts. They should form part of the same stream in a service, the only exception in the case of officers who are not permanent being that, if there is a reduction in the strength of a service, those who are not permanent would go

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\*Report of Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, p.518.

first. We would, however, recommend that they should be given proportionate retirement benefits, *i.e.*, proportionate pension, gratuity, etc. (We do not think that such a contingency is likely to arise in the context of our expanding economy.)

4.73 With regard to purely temporary posts, we consider that the very possibility of creating such posts and continuing them indefinitely results in a climate of laxity and indifference to the requirements of right personnel management. We, therefore, recommend that, except in those cases where an organisation or a post has been set up or created for performing a purely *ad hoc* function, any post which continues for more than one year should be treated as permanent. All such posts should naturally be within service cadres if there are any.

### *Supervision and Discipline*

4.74 The phenomenal increase of government activity and the consequent expansion of personnel have resulted in new problems of both supervision and discipline. It appears that the quality of supervision has gone down considerably during the last two decades. Importance attached to inspections sometime back is no longer in evidence and inspections do not have the intensity which they used to have. They are, sometimes, treated as rituals which have somehow to be performed. In the new context, proper supervision assumes crucial importance, lest the administrative machinery become an unproductive entity, concerned just with keeping itself busy and justifying its existence.

4.75 We recommend that the existing administrative rules regarding frequency and intensity of inspections should be re-examined and standards necessary in the new context fixed and strictly enforced.

4.76 For adequate supervision and control, it is necessary that the responsibility of each individual is fixed and standards of work evolved. Complaints of delays, lack of response to written communications and the general feeling that departments, as they are, fail to render to the public essential services for which they are organised are a direct result of the blurring of responsibilities. We recommend that specific responsibility for each item of work should be fixed. The delegations of power should be maximised such that the officials in the lowest hierarchical rungs get the maximum possible responsibility. Once powers are so delegated, senior officers should not interfere. Those who have delegated authority should have a right to refuse to be interfered with on such matters except through specific written instructions. Failure in the exercise of delegated powers should be punished. We would also recommend that there should be a provision for communications of displeasure to such officers, who though vested with appropriate powers, tend to push their cases up either for specific orders or in other forms like "may see before issue for orders" or "submitted for perusal". We further recommend that inspection notes should highlight cases of the nature described above. Any tendency to shirk responsibility or to share it with higher officers, explicitly or implicitly, should be noted in the

annual confidential reports. Such orders must be specific and in writing which would mean that the higher officer has delegated powers subject to certain clear reservations.

4.77 There is almost complete freedom from fear of disciplinary action amongst services at present. Interference from higher levels and outside and complicated disciplinary procedures have contributed towards this. We appreciate that the democratic process has brought about a new climate of free contact among government organisations cutting across hierarchical lines. But, this should not mean absence of the fear of, and lack of respect for, authority. We feel it necessary that the fear of God be instilled among services by (i) taking strong action in case of proved misdemeanour; and (ii) by improving procedures for taking such action. We are informed that current procedures for taking disciplinary action are so involved that the person initiating the action himself feels reluctant to do so. As one witness told us, it is like the accuser subjecting himself to a disciplinary action. These procedures should be simplified.

4.78 With a view to giving sufficient authority to supervisors and taking prompt action against any deviation from duty, we consider that the hand of the immediate superior should be strengthened. He may be given authority to suspend his subordinates, subject, however, to review by the next higher authority within a fixed time. In case a suspension is proved to have been on frivolous grounds, the concerned officer should be severely dealt with. Suspension should be followed by immediate departmental proceedings to be finished within a specified period, say, not more than one month, in ordinary cases, and not more than three months in special cases, for which previous sanction of the next higher authority should be obtained. We are of the view that this power will be sparingly used both because of the fear of deterrent action among subordinates and because of the caution exercised by superior officers as they themselves, in their turn, could be subjected to similar action in case of frequent and ill-advised use of this important power.

### *Placement Policies*

4.79 Placement policies are, in fact, an integral part of career development policies. We are recommending in a following section that steps should be taken for career development plans to be scientifically formulated and implemented. Here we will, therefore, consider only some special aspects of placement policy.

4.79-A. The administration of a purposive placement policy requires very close understanding on the part of the controlling authority of the group of officials concerned. We recommend that the placement of each officer should be planned in such a way that, while serving the needs of the organisation, it gives opportunities for the optimum development of each individual. It is, therefore, that particular administrative authority which has, on the one hand, intimate knowledge of the officers

under it and, on the other, controls all or most of the officers of the cadre that should be the placement authority. In India, the normal practice is for the appointment and transfers of gazetted officers to be done by government and for heads of departments to deal with such matters relating to non-gazetted staff. Even if, for some reason, the retention of this power in the hands of government is necessary in respect of gazetted officers, we would suggest that, as a matter of convention, the proposals made by the head of department regarding placement and transfers should be accepted. However, the right thing is to delegate as much as possible of the powers relating to appointment, placement and transfer to the head of department and lower levels and we trust that government will move in this direction. At the minimum, such delegation should extend to the undermentioned administrative powers relating to personnel below the rank of Joint Heads of Departments irrespective of their class:

1. All appointments—officiating as well as permanent—subject to the normal requirements of consultation with Public Service Commission;
2. Confirmation and declaration of quasi-permanency including condoning break of service;
3. Postings and transfers including deputations within the State Government or the Central Government as the case may be;
4. Selections for training within or outside India;
5. All promotions subject to the Departmental Promotion Committee procedures being followed;
6. Sanctioning of leave etc., and
7. Discipline, control and appeal.

4.79-B. The basic principle of transfer policy should be that tenures should be relatively short in regulatory posts and should be long in posts connected with development administration. As Mr. George F. Gant observes\*:

“Development administration requires close identification with, rather than aloofness from, the community or communities of interest. Effective development administration depends not only upon authority and efficiency but more largely upon mutual interest and confidence and ability to provide motivation and management support to the relevant segment of the population embarked upon a program of development. Civil servants engaged in development administration should not be rotated from location to location too frequently. Their tenure should be long enough to instill the confidence and

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\*George F. Gant, *Public Policy*, Vol. XV, Harvard University Press, Cambridge, Massachusetts, p. 201.

establish the constructive relationship required to get a program going and to keep it going”.

4.80 It is well known that in every region—whether it is a state or a district—there are some difficult postings. The difficult nature of the posting could be due to the area being hilly or to there being inadequate communications or inadequate educational facilities or to the areas being troublesome and dangerous and so on. There may be persistent labour trouble in some areas or persistent tribal trouble in others. Thus, there are always bound to be some posts which are associated with special difficulties or special problems. Some of these posts would undoubtedly be challenging. In any case, the practice of treating such posts as punishment postings is neither fair to the people of those areas, nor to the officer himself and it should stop. Rather, we should imagine that a willingness to accept such postings without fuss or evasion should be developed by attaching suitable special allowances for such posts. There should also be special recognition of the fact that a particular officer did a difficult job and such recognition should be in the form of a commendation to be entered in his annual confidential report. In the case of lower levels even cash rewards could be appropriately awarded. We recommend that a systematic policy should be evolved for difficult areas and difficult postings. Lists of such areas and postings should be prepared and the allowances and other benefits that go with each of them should be determined so that these matters are not left to the discretion of the authority for the time being in power.

### *Tenure Problems*

4.81 The tenure system is essentially an institutionalisation of the need for the change of personnel at higher levels. We have discussed, in the foregoing chapter, the desirability of such a change. We would here reiterate our unqualified support for the tenure system, and the demolition of all barriers which hinder an even flow of personnel.

4.82 The most important reason for the failure of the tenure system, specially at the higher levels, is the imbalance of salary structures, both between the secretariat and field departments and between the Centre and the State Governments. Some secretariat posts seem to be relatively over-paid. To illustrate we may quote the case of a Section Officer in the Central Secretariat whose pay scale is comparable to that of a Deputy Collector in the State Government. The incongruousness of this position becomes obvious when we compare the responsibilities of the former, who is usually in supervisory charge of 5 assistants, with the latter, who may be placed in charge of a subdivision with an area of anything up to 2000 square miles and a population of 10 lacs or in other positions of similar responsibility. Or take the case of an Under Secretary of the Central Government. Such an officer is usually paid far more than most senior officers of the State Services even though his responsibilities are certainly less in comparison. It appears somewhat difficult to accept such an equation of responsibilities, which is implied in the equation of pay scales. Many examples of this nature can be quoted. Even in the

technical field, a large number of positions in the higher grades of pay continue to be created in the Central Secretariat which, in fact, have lower responsibilities than many low paid posts in the same speciality in the field.

4.83 This has resulted in competent field officers being lured to secretariat posts. It is not difficult to imagine the efforts such an officer will make to avoid the loss of pay and other amenities, which a return to field posts will entail. Obviously a solution lies in a rationalisation of pay scales between the secretariat and field departments and also between the Centre and States. Only if this is done, is there any hope of efforts to continue in secretariat positions for indefinite periods becoming less frequent and less persistent.

4.84 Apart from the difference in emoluments between positions at the Centre on the one hand, and those in the State Government and in the field on the other, there is also relative over-valuation in some higher positions. Take for example the case of Chief Secretaries to State Governments. Till very recently these posts were placed between Joint and Additional Secretaries to the Government of India; they are now being equated with Additional Secretary. It is our view that, on an objective assessment of comparative responsibilities, it will be found that the Chief Secretary of a State, should be equated with Secretary to the Government of India. The position of Secretaries to the State Governments is even more unsatisfactory as in most cases they have been equated with Deputy Secretaries in the Central Government. The former function at the highest policy formulation levels in State Governments and the latter in the upper consideration level in the Centre; the position seems to be unfair. In comparison with field positions, posts in the secretariat also tend to be over-valued. Collectors of even the largest districts are equated with Deputy Secretaries, and Superintendents of Police with Under Secretaries; in many cases the field officers do not enjoy the special pay to which the secretariat officers are entitled. We have little hesitation in saying that the responsibility of the field officer in many cases of this kind is far heavier than that of his counter part in the secretariat. What is needed here is a rational valuation of responsibilities at various levels and a fixation of pay-scales accordingly.

4.85 We also find that the basic idea underlying the tenure system of regular interchange between the secretariat, headquarter organisations and field positions tends to be defeated by people remaining indefinitely outside parent departments and changing positions between one organisation and another. Sometimes reversion to departments/states is just to complete a formality. We do not consider this a happy state of affairs. We recommend that:

- (i) tenure system should be rigidly enforced; and
- (ii) officers must go back to the parent departments or State Governments as the case may be for a substantial length of time—not less than the period spent outside the department/State before being considered for another assignment.



4.86 The case of the Central Secretariat Service, is somewhat different, so far as the application of the tenure system is concerned; this is because there is little scope for inter-change with field positions and whatever changes are required will have to be made within the Central Secretariat itself. It is, however, essential that officers of this service are regularly shifted from post to post within the Ministry or from one Ministry to another. If officers continue to serve in the same post for long period their response to problems tends to become conditioned and they become prisoners of their prejudices. Unfortunately, even though the need for, and the utility of, the tenure system are recognised, officers of the C.S.S. tend to continue in the same post for indefinite periods. Partly this is because such officers grow with the organisation and partly because some of them become "indispensable" for certain tasks because of their long association. In order that an officer can be considered fully fit to hold a post at the consideration levels, his experience must be diversified to the maximum extent. We accordingly recommend that the placement of all the officers in the Central Secretariat should be reviewed forthwith. All those who have put in more than five years in any organisation should be shifted immediately to another organisation though it may be within the same professional group; they could also be placed in different professional groups where their previous experience will be of use. It is quite likely that there will be considerable apposition to such a move and there might also be some initial dislocation of work in some Ministries, but, in the long run, such a step will help in revitalising the administration. It will be necessary to guard against claims for exemption; otherwise the whole idea may be set at naught. However, the range of movement among ministries is likely to become smaller and make the problem itself less important as administration develops desirable levels of professionalism.

4.87 The 'indispensability' theme is not peculiar to any one particular service. There is generally a tendency to continue the *status quo*; if some one is working well, there is always a resistance to change—even normal leave is not granted on the ground of uncertainty about the quality and capacity of the successor. We consider this an undesirable state. No one is indispensable in Government and no one should be considered to be so. The personnel system should be so managed that always alternative arrangements are available. We consider this an important ground for strict enforcement of placement and tenure policies and making no exceptions in individual cases.

### *Employment of Women*

4.88 The number of women employees is showing an upward trend, both in the public and in the private sectors. However, the figures available from 1962-65 show that the rate of growth of women's employment in the public sector (33%) is much higher than the general rate of growth of employment in that sector (21%). In the private sector during the same period, there was, however, only a marginal difference in the two rates of growth, that for the women was 17% against the general rate of 15%. It appears that this trend will continue in view of

the liberal government policy in the matter of employment of women and the constitutional guarantees which must be honoured by the public sector in its real spirit.

4.89 Some service associations and individuals have spoken against employment of women in larger numbers. For one, they contend that the women are given more favourable places of postings whereas men have to go out to harder and more difficult jobs in the field, yet both of them enjoy the same emoluments. Moreover, being nearer the headquarters, women may even get better chances of promotion. The first objection regarding getting the same pay for jobs, irrespective of the place of work and working conditions, is valid; our suggestion regarding distinct pay components for such elements will, to a large extent, meet these points. However, the question of employment in those departments where the women cannot be employed in the majority of jobs needs careful consideration as they should not monopolise the more favoured positions. With the increasing proportion of women employees, this may become a real personnel management problem.

4.90 We understand that even in services like the Indian Customs Service, women officers have been recruited for higher positions through the competitive examination. A lady candidate was offered even the Indian Police Service recently who, however, declined the offer and preferred not to join any service. We do not consider that such a rigid interpretation of the Constitutional guarantee is desirable. There is no harm if certain services, as is actually the case in the Armed Forces, are considered purely male occupations and the entry of women is barred by convention or, if necessary, even by appropriate enactment. If it is desirable to have women employees for specific functions in a particular department, the number should be fixed on the basis of actual requirements and should not be left to chance factors.

4.91 It is also apparent that services like the Indian Administrative Service are now attracting many more lady officers than in the past. Perhaps, so long as they are just a sprinkling in the vast mass of men officers, not many management problems may arise, but it appears that the problem may assume some dimensions which may require a careful consideration of the desirability of inducting more women officers in these essentially field jobs. We may point out that, with the ever increasing number of women candidates in the universities specially in the metropolitan areas, government service will have a greater appeal to them as in our social context, the employment in private sector in higher positions may still not be that attractive to young ladies. Moreover male students from metropolitan centres are seeking employment in scientific and technological fields and in higher executive jobs in the private sector. An increasing proportion of women candidates is, therefore, likely to get into the higher services.

4.92 Thus, the problem of employment of women in the higher services can be said to be just emerging and it is time that the question is considered on an objective and national basis keeping in view the job

requirements of each of these services. It seems to us that some services should be barred whereas, in other services, the proportion should not exceed a predetermined level.

## PERSONNEL PLANNING AND ORGANISATION FOR IT

### *Diversification of Personnel Needs*

4.93 We should like, next, to consider the broad implications for personnel policy that recent trends relating broadly to changes in the field of state action and responsibility have. During the Third Plan period, employment in the State sector increased by 32.8% whereas the corresponding figure for the private sector was only 17.3%. In total employment, the share of the public sector (including government) increased from 58% at the beginning of the Third Plan to 61% at its end. Further, in spheres like trade and commerce, manufacturing, construction and mining and quarrying, the public sector has expanded much faster than the private. In manufacturing the public sector grew by 81% during the Third Plan whereas the rate of growth of private sector was only 18%. Annexure 4(14A) illustrates this point in somewhat greater detail.

4.94 The diversification of the personnel needs of the economy is also reflected in the kinds of vacancy notified by various establishments and in the occupational distribution of work-seekers. Owing to the fact that a good deal of the diversification of the economy was the direct result of the expansion of the public sector, we can assume that this diversification of personnel needs is broadly characteristic of the personnel needs of the public sector as well. The number of vacancies notified increased by a bare 14% in the administrative, executive and managerial categories, whereas the overall increase was as much as 63%; in the professional categories, there was an increase of 66%, and, in mining and quarrying, an increase of 189%. Similarly, the number of persons offering themselves for employment actually declined by 14% in the administrative, executive and managerial categories, whereas the increase was 61% among professional and technical personnel, and 57% among transport and communications personnel. An analysis of recruitment figures relating to the Union Public Service Commission [Annexure 4(15)] brings out the striking increase in the number of professional and technical personnel recruited over the last fifteen years. Actually these figures do not tell the whole story. A large number of wholly government-financed organisations, because of their autonomous status, recruit their own personnel and if those figures were also taken into account, the shift would be much more striking. This is a welcome structural change fully in consonance with the needs generated by the increasingly social and economic complexion of state policy and action.

### *Personnel Planning*

4.95 It seems clear that, in this whole process, recruitment followed, rather than anticipated, the emergence of need. Therefore, the need for building up of viable cadres of the various kinds of professional and technical personnel that the state sector requires seems manifest.

A cadre has this advantage for the personnel administrator that he can consider the problems of a particular group as a whole and examine further in what manner trends in public policy are likely to influence its size in the years to come; even where there are no formal cadres as in the public sector, the central organisation that we recommend elsewhere for them, can examine these matters in terms of groups of persons with similar functions. In the case of some specialities at least, it is likely that, while, in any particular department or organisation, there may be very few professing that speciality, there may be quite a number if the public sector is considered as a whole. We are not aware that there is any routine means at present by which government periodically apprises itself of the degrees of personnel importance of various kinds of specialities so far as the state sector (including government) is concerned. We are aware that a few new services were created some years ago and some are likely soon to be created; we are referring here to the Indian Economic Service, the Indian Statistical Service, the proposed Indian Service of Engineers, etc. But the creation of these services was the result either, on the one hand, of a compelling awareness arising from the obvious and easily observable expansion that took place in particular specialities or, on the other hand, of the need for according further prestige and status to specialities that were already in existence in the form of more or less organised cadres. We suggest that information should be regularly collected (we think the periodicity should be one year) regarding the educational and other characteristics of personnel in the state sector. Within three months of the end of the financial year, every department of government—and every public undertaking—should bring out a report regarding personnel which should be transmitted to the manpower planners concerned in the various States and at the Centre. Such reports—made more and more refined from time to time—will provide good initial evidence of potential personnel need.

4.96 Owing to the increasing responsibilities of the state, a planned personnel policy would require the incorporation of reasonable manpower reserves in practically every cadre. The present situation unfortunately is one of shortage in many areas and it may, therefore, look academic and unrealistic at present to think of manpower reserves. Further, a view can also be advanced that any such reserve is likely to involve some waste of public resources in the sense that such reserves do not match a current personnel need. This is a very short-sighted view. The amount of waste resulting from the lack of trained personnel at the time they are needed is certainly considerable, if not enormous; such lack is often attributable to the fact that the relevant cadre had no reserve whatever. For example, the I.A.S. cadres have somehow never been in full strength. As a consequence of special recruitment undertaken between 1949-52, the gap in the strength of the Indian Administrative Service was brought down to a small figure in 1952. But the authorised strength continued to rise; from a base of bare 803 in 1948, to 1168 in 1952, thereafter unpredictably to 1542 in 1956, to 2,036 in 1960 and to 2575 in 1966. The expansion of the cadre has, no doubt, to follow need but what we want to emphasise here is the order of emerging need was not foreseen,

sufficiently in advance. Consequently, the recruitment rate was too low in the early years, between 30 and 40 till 1953 and between 50 and 75 till 1960. It is only after 1961 that the recruitment rate was substantially stepped up keeping in view the projected requirements of the cadre. So far as the IAS and IPS cadres are concerned, a systematic analysis is attempted by the Home Ministry and reserves are being provided. However, we are not sure that the lessons learnt in this case have benefited other cadre authorities.

4.97 We appreciate that it will not always be possible to estimate the actual size of such manpower reserves correctly. But these are errors inherent in the nature of the task; in the long run, these errors are likely to cancel themselves out and, further such manpower reserves will be a valuable augmentation of the administrative potential of the state.

### *Organisation for Personnel Planning*

4.98 In the earlier section of this chapter and at various other places in the report, we have indicated the various features of satisfactory and progressive personnel structures. It is the job of the personnel planner to ensure that, over time, various cadres exhibit all these broad features in acceptable measure. If this object is to be achieved, there can be little doubt that personnel planning must become standard routine permeating all levels of administration and that officials trained in personnel management, development and planning must man the units concerned at various levels. We recommend that there should be properly staffed personnel planning units in the personnel offices of departments and ministries headed at the apex by the Central Personnel Agency. Annual reports on personnel, as recommended earlier, must emanate from each department, reach the ministry concerned and thereafter an integrated report of the ministry with its departments should reach the Central Personnel Agency. These reports should deal comprehensively and constructively with all aspects of personnel management like quantitative adequacy, internal structural balance, training, the utilisation of various reserves relating to deputations, training, etc., qualitative trends, the adequacy of recruitment practices, career development, etc.

4.99 The real problem of the personnel planner is, of course, the detection of incipient trends which are likely to continue in the future and the quantitative estimation of future need. The relatively small extent to which attempts in this field have succeeded is due to the fact that authorities at all levels have not been fully associated in this task. It will be useful to undertake immediately a review of the manner in which various units in government have expanded over the last 10 years or so. It should be possible to relate the various parts of this expansion to various outside factors; some of these factors can be traced to the Five Year Plans, some to political and constitutional developments and so on. A quantitative relationship will not always be easy to establish; it may, often, be impossible. But all the same, this is the only concrete evidence

that we have, the examination of which will help us at least to make a start in personnel planning. Hardly any country has been very fully successful in personnel planning and it is only by trial and error over a long period of time that substantial improvement is possible.

4.100 We wish to conclude these observations on personnel planning with reference to the need for personnel planning in government becoming, in due course, an integral part of manpower planning for the country as a whole. In present conditions, this can be considered only a long-term objective. All the same, we hope that the whole process of integration will begin soon enough. The objective should be to ensure, in broad terms, that personnel management policies and, in particular, financial and educational policies are such that they produce the various categories of manpower required for the country for various purposes. There is a good deal that can be said about manpower planning but it would, at this stage in our development, sound a little too academic. We have no doubt that, in due course, suitable techniques and practices in the field of manpower planning will be developed and that would be the appropriate time for considering their adequacy in the context of a consistent overall theoretical manpower frame.

### *Brain Drain*

4.101 The problem of the "brain drain" has been getting increasing attention in the last few years. No clear conclusions are possible from the very meagre statistics available; it seems to us necessary that, whatever the numbers involved, suitable policies be evolved for facilitating the return of those who are willing to return but are not sure of either reasonable employment opportunities or suitable facilities for work. Admittedly, India cannot compete with advanced countries on all fours in these matters, but the position can certainly be much better than it is now. The Scientists Pool is a step in the right direction but much more would need to be done in the matter of placing the scientists in appropriate positions, ensuring proper conditions of work and, what is probably even more important, developing the right atmosphere for scientific and technological development. We also understand that the scope of the UPSC "interview board" scheme is likely to be broadened thereby making available details regarding suitable Indians abroad not only to purely governmental organisations but also to State Governments, universities and public undertakings. This is a good step forward—possibly beyond the strict range of the constitutional responsibilities of the UPSC. We, however, welcome this development and hope that, along with this move of the UPSC, a broader-based effort will be made to accelerate the return of large numbers of Indian talent abroad to useful and satisfying positions in this country.

### *Role of the UPSC in Personnel Policies*

4.102 Formulation of recruitment policies is one of the most important aspects of cadre management. It is within the broad frame provided by the general rules regulating recruitment and laying down

principles to be followed in making appointments to the civil services and isolated posts that cadre management functions are to be performed. Article 309 of the Constitution empowers the respective legislatures to lay down detailed rules for recruitment and other conditions of service. The government has, however, been given the power to make rules, having the force of law, on these matters until appropriate statutes are enacted. However, this article is only an enabling provision in the absence of any disqualifications arising out of failure to legislate or to frame rules on the part of the legislature or the government.

4.103 Clause (3) of Article 320 makes it obligatory for governments to consult the public service commissions, inter alia :

- (a) on all matters relating to methods of recruitment to civil services and for civil posts; and
- (b) on the principles to be followed in making appointments to the civil services and posts and in making promotions and transfers from one service to another.

4.104 Thus, it is the duty of government in consultation with Public Service Commissions to lay down broad policies in this area of personnel administration. We note that recruitment policy as required under Article 309 has not been formulated relating to some of the important services. We are unable to appreciate the compelling circumstances which have been responsible for not allowing the cadre authorities to apply their minds to these crucial areas of public administration. We recommend that recruitment rules for all services should be finalised within a reasonable time and in no case later than a year or so.

4.105 The Estimates Committee (Third Lok Sabha) in their 93rd Report have gone into the question of legislation under Article 309 of the Constitution for regulating recruitment and conditions of service of Central Government employees. They observe :

- (i) "The Committee note that, even though sixteen years have elapsed since the Constitution came into force, Government are still relying on the proviso to article 309 authorising the executive.....to make rules having the force of law, which was intended to be transitional provision, and have not brought before Parliament as early as possible comprehensive legislation under article 309 regulating of recruitment and all major terms and conditions of service of persons appointed to public services and posts in connection with the affairs of the Union, such as Pay and Allowance, leave, gratuity, pension etc. so that Parliament may have an opportunity to consider them.
- (ii) The Committee further recommend that there should be appointed periodically, say, after every five years, a Commission to review the working, and terms and conditions of

service, of public servants and the report of the Commission should be placed before Parliament. The Parliament may discuss the report and any decision on matters contained therein may be embodied in the law on the subject from time to time.

- (iii) The Committee also recommend that rules framed by Government in their discretion in pursuance of the provisions of the Constitution or any law made by Parliament governing service conditions of public servants should be laid before Parliament and there should be a Standing Committee of Parliament which should scrutinise these rules and make a report to the House”.

4.106 The Government in their reply have observed :

“Article 309 of the Constitution provides two alternative modes for prescribing the method of recruitment and conditions of service of Government servants, namely (1) Legislation and (2) Presidential Regulations. Similar provisions are contained in some other Articles of the Constitution. The legal position is that when the Constitution provides for two alternative modes for a certain thing, it is not mandatory that one must be preferred to the other or that one is transitory or interim in nature and should be resorted to only for a limited period. The regulation-making power of the President of India under proviso to Article 309 cannot thus be said to be transitory or short term and it is not obligatory on the part of government to sponsor legislation for regulating the conditions of service of Government servants.”

“While the legal position regarding the enactment of legislation under article 309 of the Constitution is as explained above, it is true that the public services in India have been largely governed by rules framed by Government. This arrangement facilitates the frequent changes that are necessary in adjusting the administration to the needs of a fast developing society. If each and every aspect of conditions of service of Government servants is bound down by detailed legislation enacted by Parliament each minor change would require a new enactment and apart from being cumbersome and time consuming it would also keep the management of the public services, in the midst of political controversy. A simple and brief legislation of the type of All India Services Act, 1951, can no doubt be contemplated and may be feasible, but it would still leave full rule making powers with Government, the rules being laid before the House of Parliament”.

4.107 We have carefully considered the above question insofar as the framing of recruitment rules is concerned and have come to the conclusion that, firstly, any such legislation cannot but be very general leaving full rule making power to government; secondly, if the Parliament or the State Legislatures consider it necessary to go into greater



detail, the statutes so enacted will result in rigidity in matters which require a continuous process of review, experimentation and re-appraisal in the fast changing context of supply and demand of various skills; and, lastly, this job will throw a substantial burden on legislatures. Frequent amendments, which may be needed, will also be time consuming and, in many cases, may result in delays in matters requiring prompt attention.

4.108 We, therefore, consider that the present practice of framing of recruitment rules by the executive under Article 309 in consultation with the Commission, while substantially meeting the constitutional requirement, has in addition the advantage of flexibility. The association of the Public Service Commissions ensures necessary objectivity and imparts the benefit of their expertise in personnel matters. We recommend that the present practice may be continued indefinitely. The rules framed by the government in pursuance of this Article, so far as they relate to recruitment policy, may, however, be placed before the Parliament as suggested by the Estimates Committee.

4.109 We have examined the staff support in the UPSC for these functions. There is a normal Secretariat Section which came into existence as an independent unit as late as 1964; it has a full-time Under Secretary. Although an effort is made to build up some expertise by keeping individuals long enough in this section, the special requirement of this unit in terms of specialist skills has not been recognised; all its posts are filled from the larger services from time to time. From the procedures followed in this regard by the Commission, it appears that there are no systematic studies indicating availability position in different skills, changing patterns of supply and demand or methodical analysis of the Commission's own past experience. We also note that expert opinion is not obtained as a matter of course even in highly specialised fields. The ministries themselves depend on their internal resources in the formulation of basic proposals. The volume and diversity of work have so much increased that *ad hoc* methods can no longer be relied upon and the absence of a systematic and scientific 'feed-back' on many points is serious.

4.110 Our observations in the previous paragraph are in respect of the Commission's work relating to the determination of recruitment policy. Broadly, the same pattern obtains in other branches of the Union Public Service Commission. We do not think that an approach to staffing of the Commission not based on functional need and development of expertise can succeed in the changing context. We, therefore, recommend that (i) adequate staff support should be provided to the Commission; persons with wider experience in education, scientific research, practical administration in States should be brought to serve at a sufficiently high level specially in the unit dealing with recruitment and recruitment policy; and (ii) the Research and Statistics Division of the Commission should be strengthened. They should continuously analyse the trends in skill-market on the basis of

their internal data, data collected from other Service Commissions and such other sources as may be useful. They should provide the necessary feed-back on almost all aspects of personnel policy. They should bring out an annual publication highlighting the trends in the skill-markets so that the universities and other institutions of higher learning may know the areas of shortfalls and provide guidance to new students.

4.111 We are of the view that Public Service Commissions in the country, and the Union Public Service Commission in particular, should become leaders in modernising personnel selection and development practices. The first step for this purpose is that the annual publication should also contain a review of recruitment experience which should be much wider than giving a list of posts for which recruitment has been unsuccessful and providing other statistics. Not only should recruitment techniques be refined, in the light of developments abroad, but they should side by side develop their own techniques suitable to our conditions. Also, the Commissions have some role to play as mentors of the educational system. Further they should be repositories of information regarding the methods of personnel planning, management and development followed in various organisations and further undertake research into these matters. We have mentioned just a few aspects in order to concretise in some measure the kind of Public Service Commission we envisage. We recommend that the Central Personnel Agency should undertake a more detailed study and in consultation with the UPSC evolve a detailed programme for future development.

#### *Career Development Programmes*

4.112 We have referred, at various stages in our report, to the necessity for incorporating career development programmes into personnel management practice. Career development programmes can be successful only if personnel planning proceeds on the right lines. We have, therefore, to make the assumption that in future personnel planning will be seriously attempted.

4.113 Efficient personnel management practices envisage the optimum use of available talent—optimum use not only at a given time but over a period. This requires a programme whereby each individual is given full opportunity to develop his potential which, however, has to be within the frame of departmental requirements. Thus, a career plan requires :

- (i) a total view of the employees now and as they may develop against the background of the organisational needs now and as they may grow; and
- (ii) adequate opportunities to each individual by means of a suitable placement policy for displaying his innate qualities and enabling each of them to develop fully.

4.114 In operational terms, there are two aspects of career development programmes. Firstly, a general career development programme and, second, particular career development programmes for important categories of key personnel specially at the higher and middle levels. The first of these two is essentially long term but a beginning has to be made to achieve this ideal over a reasonable period of time. Regarding the second, the requirements of high level personnel are so urgent and crucial that a determined effort has to be made immediately. Although, in the long run, this should be essentially a complementary programme to general career development programmes, till such time as general programmes get firmly rooted in personnel management practices, this will have to be treated as practicably independent.

4.115 We may first clear some misconceptions and state special difficulties in the way of career development programmes. There is some confusion about the correct nature of career development programmes because, in a way, the various cadres which form the basis of our personnel units are, to some extent, institutionalised arrangements for career development. Therefore, career development is taken to be some thing outside the normal. There is no doubt that cadres provide the broad frame of manpower utilisation, but career development consciousness changes the entire concept of cadre management. For example, a promotion decision in such an administration is lifted from the level of a mere exercise of making a selection to one of making a conscious effort over a period of time to develop the potential of all, selecting a few for special attention and only finally, as a culmination of this process, a selection for promotion, which is to be followed by observation and further development programmes.

4.116 The cadre concept has made the task of career development both difficult and easy. It is made easy insofar as there is a conscious decision while constituting cadres to group similar jobs, designing structures keeping in view the long-term requirements and thus enabling management to take a long-term view. The task has been made difficult because of the unstated assumption of complete interchangeability of personnel. It leads to complacency in personnel management and to a 'formula' approach in placement policy. Also, it is difficult to give special treatment or quick advancement to men of exceptional ability because of the possible loss of morale in the 'average' and 'above average' individuals.

4.117 These difficulties should not deter us and career development programmes must be chalked out within the frame of cadre structures. As personnel structures move to a more position-oriented pattern these programmes will require necessary modification.

#### *General Career Development Programme*

4.118 There are three aspects of career development :

(i) Formal training;

- (ii) On-the-job training and work-experience; and
- (iii) Self-development.

### *Formal Training*

4.119 As a sister Study Team is dealing with training, we will not dwell on this subject. We only note that training programmes specially devised for key personnel have not as yet become a normal part of personnel management practice.

### *On-the-job Training and Work-experience*

4.120 The part which on-the-job training used to play in the development of civil service careers is now becoming secondary, allegedly because senior officers do not find sufficient time. This is an unfortunate situation and a very short-sighted view of administrative needs. Regarding the scope of on-the-job training, it is sometimes taken to be limited only to formally drawn up programmes. It should be much wider and include the entire process of action and inter-action between the two personalities of the trainer and the trainee which create lasting impressions. It is the right kind of experience during the period which stimulates growth, initiates a process of self-development, and helps to deepen the understanding of the entire administrative processes and its basic philosophy.

4.121 Even with introduction of more formal training programmes, we do not think that on-the-job training will in any way become less important. The United States appears to have gone too far in the other direction. The Presidential Task Force Report on Career Advancement in the United States recently urged avoiding an imbalance arising from greater emphasis being placed on formal training and education away from the job. They observed that 'On-the-job training in the daily work environment is still the most important and the effective means of development of employees. Formal training away from the job cannot substitute it.' In our own context, where formal training is still to get established, there may be a danger from too high an emphasis on a formal training resulting in further neglect of an already neglected field. Formal training should not be deemed to be a substitute for career development and on-the job training must be restored to its rightful places in areas where it is falling behind.

4.122 We, therefore, recommend that :

- (i) As formal training programmes cannot be a substitute of on-the-job training and daily work-experience, the cadre management committees should ensure that well considered on-the-job training programmes are drawn up for all categories of personnel.
- (ii) Training and building up of personnel should be an important part of the duties of senior officers. The cadre management authorities should ensure that these officers appreciate the

importance of these programmes. They should specially review the performance of senior officers and the fact of satisfactorily performing these functions should be recorded in their confidential rolls.

### *Self-Development*

4.123 The most important aspect of career development is an officer's own motivation and his effort for self-development. Therefore, every encouragement and facility should be given for self-development. This should include particularly—

- (i) liberal grant of leave for study in areas which have a bearing on an individual's broad professional speciality;
- (ii) facilities of leave for attending seminars and conferences;
- (iii) encouragement of original work in approved areas by *ad hoc* grants; and
- (iv) reimbursing part of expenditure on professional books and periodicals specially in case of those posted in areas away from metropolitan or urban centres.

### *Some Specialist Groups*

4.124 The basic problem of the continuous development of personnel in the respective professional fields arises with much greater force in rapidly developing specialities like economics and physics. Those who fall behind may become a drag on an organisation, specially if they occupy higher positions. Moreover, as persons advance in age and also acquire wider experience, many seem to think that they know all the answers. Special measures are, therefore, necessary for continuing development at this stage.

4.125 An obvious answer is to send high level personnel to appropriate academic courses but it becomes difficult after a certain stage to start as a student. It may, however, be worthwhile if senior persons are sent out to a teaching or a research job, if necessary on an exchange basis. We consider that such an arrangement should be useful in all scientific, engineering and technological fields, and also in fields like economics and, to some extent, even in public administration. Incidentally, in certain fields like mining where teaching jobs do not attract many mining engineers, this will be a part solution to the problem.

### *Special Career Development Programmes*

4.126 Career Development Programmes directed towards developing personnel for key positions in different fields are vital in our stage of development. In this process, in the first instance, it is necessary that the exact requirements in terms of skills, desirable experience, etc., for each of these positions are spelled out in detail; the probable number of positions in each group should also be worked out. A special

programme may be required for each of these groups. For example, positions like Superintendents of hospitals will require a different career development programme from one for high level positions like the Director-General of Health Services or for corresponding positions in the policy formulation zones in the secretariat. For hospital administration an average doctor with flair for administration will do and selection can be made early in his career. In contrast, those who have to move to policy formulation levels must have attained professional eminence before being earmarked. Therefore, career development for these positions has to start much later and earmarking is possible only after individuals have attained to certain minimum professional standing.

4.127 We had arrived at certain broad principles for manning higher positions in the previous chapter. The procedures suggested by us have elements of career development within themselves and we need not recount them. We may, however, state that in a specialist group, there are four stages in career development :

- (i) preparatory period for a normal career grade;
- (ii) work experience in a sub-group of the speciality;
- (iii) broadening of experience; and
- (iv) further specialisation for higher management functions.

4.128 Career development in each organisation has to primarily follow this pattern and cater for higher positions in the organisation. A small number, in addition, will also be required for policy formulation and consideration levels in the secretariat, whose requirements should also be kept in view. The two basic concepts guiding policies for manning those levels have been defined as—

- (i) need for development of more professionalism, particularly at the consideration levels; and
- (ii) need for interchange between different tiers of government and between secretariat and departments.

4.129 In concrete terms, the career development for officers of some of the specialist Services, like the Income-tax Service or the Indian Postal Service, would be broadly as follows :

- (i) five years in junior positions including on-the-job training and a variety of jobs with a view to preparing the officers for assuming responsibilities in normal career grades;
- (ii) work experience in the career grade for a period of three to five years;
- (iii) spotting persons having a flair for specialised staff functions and assigning them a suitable job in the department itself, others continuing in the line;

- (iv) a spell in the secretariat at the lower consideration level either after three years of experience in (iii) or in exceptional cases in lieu of (iii);
- (v) back to the department and experience for a short spell, in normal professional work;
- (vi) selection for the junior administrative grade on the basis of merit;
- (vii) experience of work for three to five years in this grade;
- (viii) selection of those who show promise and diversification of their experience within the broad professional field for three to five years, others continuing in the main line;
- (ix) a further selection from those who successfully perform the duties given and show potentiality, drafting them to upper consideration levels in the secretariat for a period of five years;
- (x) back to the department to normal functions or staff functions, as the case may be;
- (xi) selection for higher positions in the professional field itself or in exceptional cases, consideration for junior policy formulation levels in the secretariat;
- (xii) an assignment for five years in the secretariat;
- (xiii) back to department for a short spell to be followed by another assignment in the secretariat, if necessary;
- (xiv) ultimately reaching the highest positions in departments and policy formulation levels.

4.130 Lastly, we take up the case of the Indian Administrative Service. The career development of officers of this service is very complicated and at the same time important to administration as a whole. Systematic attention has not been paid to this subject. The various recommendations made in this and the previous chapters, if put together, will give a coherent picture of the desired direction. To the hitherto requirements of the exchange between the Centre and the States, between the secretariat and the field has been added the requirement of developing the necessary professionalism. All these have to be integrated into the pattern of assignments of the I.A.S. and a very delicate balance has to be achieved. We find that emerging need has been forcing a change in the pattern of utilisation. A sample study of certain aspects of the careers of officers of the Indian Administrative Service from 1930 to 1952 has given some interesting facts. [Annexure 4(17)].

4.131 Although the basic pattern of career development remains similar, it is seen that even in the first phase of their career (i.e. the first five years), I.A.S. officers are spending some of their time in activities other than district administration; district administration claimed

97% of the time of the '1930' officers whereas only 70% of the '1952' officers. During their second phase (6th to 12th year) of service again, a progressive diversification of assignments is taking place. Economic administration, commercial activities, industrial administration and public undertakings have been claiming a greater share of these officers' working period. The third phase (13th year to 19th year) also shows a similar trend. Time spent in district administration has recorded a rather steep decline after the '1948' and later groups. Social and educational administration, economic administration and industrial administration have moved up appreciably. It is interesting to note that general administration also claimed a progressively lesser percentage of time of these later groups. Significantly, the percentage of time devoted to miscellaneous administration (types of activities which could not be classified under any of the other nine heads) have been claiming a larger proportion of these officers' time. This tendency appears to be continued in the fourth phase (20th year to 26th year) which only the ICS officers have reached. This indicates that besides the growing needs in well defined fields, there has also been larger demand in other activities requiring high-level personnel; the government is utilising the services of these officers for unpredictable types of jobs not provided for by any of the specialist services.

4.132 Another analysis shows that not only the latter batches of officers are being utilised in different activities in larger numbers; but the average stay in those activities of such of them as happen to be chosen for these fields has been increasing. Thus, the average stay of officers in agricultural administration increased from 16.3 months for '1930' group to 47.6 months for the '1948' group; the number of officers contributing to this average in the two groups was 3 and 7 respectively. The average has also increased appreciably in economic, commercial, industrial, general and miscellaneous administration. These trends reflect the emerging needs in these diverse sectors and a tendency of officers to stay longer in the new fields of administrative activity.

4.133 We consider that special career development programmes as suggested should be drawn up by each cadre authority. The Central Personnel Agency should also help institute model career development programmes in small units under the guidance of the Personnel Adviser to the Government of India (*vide* our recommendation in the next chapter). Once a working model has been instituted in one of the units, the local staff with more experience should be in a position to duplicate the same in sister units and subordinate organisations. A definite time-table for this should be prepared and the Central Personnel Agency should review the performance.

4.134 In the course of review the Central Personnel Agency should specially see if any regular patterns for training, seminars, etc., emerge. Efforts should be made to institutionalise these arrangements as early as possible and hand them over to competent departments of universities or other professional institutions.



## *CHAPTER V*

### PERSONNEL AGENCIES

#### *Introduction*

5.1 Our discussion of personnel policies and management in the preceding three chapters shows that some of the problems can be traced to :

- (i) inadequate appreciation of some of the basic problems of personnel management;
- (ii) lack of forward planning resulting in corrective measure being taken much after the emergence of a problem; and
- (iii) lack of appropriate control and supervision from central points.

Proper performance of personnel functions, therefore, requires properly structured personnel agencies, suitably located and staffed by competent personnel.

5.2 In essence, the role of personnel agencies is to provide staff assistance to various management levels. General administrative functions, even at the top, are inseparable from personnel functions. The higher personnel units, however, attend to broad policy questions and only very important individual cases. The supervisor and the administrator have to be primarily good personnel men. The personnel officer is really an extension of the chief executive to secure that each person in the organisation does his job with maximum efficiency.

#### *Central Personnel Agency*

5.3 In the Government of India we find that personnel functions at the highest levels are being performed in quite a few organisations which have been reviewed in Annexure 5. From that description, it would appear that the Service Wing of the Ministry of Home Affairs occupies the position of the highest personnel unit in Government of India. However, it shares this responsibility in a number of important items with other units. Thus not only is the Establishment Division of the Finance Ministry to be consulted regarding financial implications but it is considered to be primarily responsible for all service rules involving financial implications. The Establishment Officer of the Government of India, though placed in the Home Ministry, is directly under the Cabinet Secretary. The Ministry, thus, shares the responsibility in matters of appointments to key positions with the Cabinet Secretary. The Union Public Service Commission is a constitutional authority responsible for certain aspects of personnel management. The inevitable conclusion is that there is multiple control of some

important aspects of personnel management. The Estimates Committee in the 93rd Report also pointedly referred to this fact.

5.4 We do not consider that such an arrangement is conducive to efficient personnel management. We find that there is no single point in the administrative machine where experienced administrators may be put together who may devote attention in a uniform way to all service problems which lead to administrative efficiency. There should be such a focal point which may enable them to play their role in the administration and if they fail to do so they may be held responsible for it. We, therefore, recommend that the primary responsibility for all personnel matters should squarely rest in one organisation. We accordingly recommend that a Central Personnel Agency be established.

5.5 It seems that personnel is not looked at as a resource which could be developed and utilised for certain ends; there is insufficient realization of the importance of positive personnel management functions. It is only recently that a beginning in the establishment of a training wing in the Home Ministry has been made. Postings and transfers are made as and when the need arises; they are not integral parts of a long term personnel development programme of and individual or even part of a plan for optimum utilisation of available personnel. It appears that concern with day to day functions and routine items is so great that it leaves hardly any time for forward planning or even consideration of long term plans.

5.6 We also find that under the existing arrangements both the Ministry of Home Affairs and Finance Ministry deal with a large number of individual and specific cases referred to them by various ministries and subordinate organisations. It is said that this is necessary for securing uniformity and for proper control and regulation. Needless to say, it is almost impossible to secure uniformity of action where administration encompasses a formidable number of employees engaged on a bewildering variety of jobs and sometimes working under grossly dissimilar conditions. As for regulation and control it is an important principle of personnel administration that control should be exercised more through attention to important policy problems than through review of routine action. It is considered better to delegate discretionary powers to subordinate authorities at the risk of a few mistakes than to retard performance and thwart initiative by a system of reviews. The executive heading an agency will be no less virtuous managerially if he is not under a heavy load of central regulation and scrutiny. We, therefore, recommend that the general approach of the C.P.A. should be to concentrate on the development of proper personnel policies and practices and not burden itself with much too massive detailed control.

#### *Functions of the Central Personnel Agency*

5.7 Regarding the scope of its functions, the first question is the scope and role of the Ministry of Finance which is at present receiving

a very large number of references and thus influences the entire personnel policy of Government. We do appreciate that the Ministry of Finance has to be consulted in matters with financial implications. However, this should not mean that every single case need be referred. We consider that the Central Personnel Agency should deal with all personnel matters. It should refer case to the Ministry of Finance only when policy questions with sizeable financial implications are involved. For example, a question whether the entire salary structure in a department should be changed has legitimately to be referred to the Ministry of Finance as, besides creating immediate financial demands, it may start a chain reaction for upgradation of similar positions in other departments. Into the same category would fall a question of revising a standard salary scale. However, whether, for instance, a particular post be upgraded in view of increased responsibility, can, perhaps, be appropriately dealt with by the Personnel Agency itself, or, whether in a particular post a particular person can be given a certain number of advance increments in view of his qualifications or because of the scarcity of such skills, can be left to be decided by the administrative ministry in consultation with the UPSC. The Central Personnel Agency should, however, be assisted by Financial Advisers.

5.8 It has not been possible for us, for reasons of paucity of time and resources, to undertake an itemized examination of the various personnel functions with a view to determining which of them could be profitably delegated to the Ministries and agencies lower below. Conceptually, however, we would suggest that the central personnel agency should concern itself only with formulating personnel rules, with working out policy statements and suggestions designed to guide the departments in dealing with individual cases, with inducing the departments to recognise personnel problems and making provision for coping with them, with doing work that cuts across departmental lines and with suitable leadership in the field of personnel management. Into the last category would fall also some progressive aspects of personnel administration like career development, talent hunting, research, etc., which do not seem to receive adequate attention at present.

5.9 There are sometimes cases where, although powers have been delegated in respect of certain items, to administrative authorities, they are reluctant to exercise them if there is the slightest departure from the general rules prescribed by the Ministry of Finance, or the Ministry of Home Affairs. It will be appreciated that it is not possible to foresee every eventuality when formulating general rules in any matter. There is, however, no reason why a case which is not on all fours with the specific provisions of the general rules cannot be decided on merits after keeping in view the spirit of the general rules. In fact the Ministries of Home or Finance, to whom the cases not so clearly covered are ultimately referred, are also faced with the same problem and have to exercise their discretion in deciding the case. If references

which should legitimately be decided by the administrative authorities themselves are received by the CPA, it should return them without a decision. In fact, administrative authorities should themselves, in the interests of efficient disposal of work, take serious note of instances where any officers in an organization do not exercise the powers delegated to them.

5.10 We recommend that the following items relating to personnel deserve central attention and be entrusted to the Central Personnel Agency :—

- (i) Personnel Policies;
- (ii) Manpower Planning;
- (iii) Career Development;
- (iv) Overall aspects of Training;
- (v) Service Rules;
- (vi) Management of all-India and inter-Ministry Services;
- (vii) Postings to key positions;
- (viii) Welfare;
- (ix) Research in Personnel Management and Problems of Government.

Besides, it should provide leadership in personnel matters to the entire State Sector including State Governments and Public Sector Undertakings.

5.11 Elsewhere in the Report specific items have been suggested to be attended to by the Central Personnel agency. It is not necessary to enumerate them here; they are covered by the broad areas suggested above.

### *Location*

5.12 Location of the Central Personnel Agency is yet another matter on which we would like to express our views. Among the important alternatives available are : (i) the central agency may be placed under the Prime Minister direct, (ii) it may be constituted as an independent Ministry, or (iii) it may be a part of the Ministry of Home Affairs. Because of the very heavy and multifarious responsibilities devolving on the Prime Minister, we do not consider alternative (i) feasible. If adopted, the central agency would be only nominally under the Prime Minister, inasmuch as his/her preoccupations with other matters of state would hardly give him/her any time worth the name to devote to personnel matters. The Prime Minister would, in that event have to depend on some junior Minister to help him/her with personnel matters. As regards alternative (ii), we think that the Central Personnel Agency may not be a big enough to justify a separate Ministry. Even if, for organizational reasons, it is constituted into a small Ministry, it will

have to be placed under a junior Minister who may not command the same authority as the Home Minister, thus rendering its leadership role somewhat ineffective. Alternative (iii) seems to us to be the best suited to Indian conditions. Firstly, the Ministry of Home Affairs enjoys all the benefits of an early start, inasmuch as it has been functioning as some kind of a central agency all along. Secondly, the central agency would command prestige which goes with the Home Ministry, thus enabling it to perform its leadership role more effectively.

5.13 The structure and manning of the central personnel agency is a matter of detail into which it has not been possible for us to go. We think it will be a mistake to create a vast organization or to try and do too many things at the same time. We should propose a small, well-manned unit.

5.14 Existing units working under different ministries doing personnel functions should be bodily transferred to the Central Personnel Agency. The new agency should, however, avoid getting entangled in the deep-rooted prejudices and routine and time-consuming procedures which these units are likely to bring along with them. We, therefore, consider that the setting up of this Agency should be preceded by a very careful design of its structure and defining the precise skills required at various levels. In the light of this determination, the structure that it inherits should be carefully pruned. Again there need be no hurry in setting up all the wings of this Agency right at the start. The new functions should grow slowly after due experimentation.

#### *Personnel Adviser*

5.15 We consider that the design of this unit should be prepared in consultation with personnel experts. In particular we think that a top man in personnel should be appointed immediately after a decision to constitute this Agency has been taken who should be associated from the very planning stage and his term should be sufficiently long, say five to seven years, so that he leaves it only when it has functioned for sometime in its fullness. This person need not head this agency. The agency should be headed by a full Secretary who should be very senior and should have wide experience. The expert may be appointed at the level of Additional Secretary and should work as Adviser to the Government of India on Personnel. While being answerable to the head of the Central Personnel Agency, the Adviser should be available to the Minister for consultation. He should be assisted by a small Advisory Unit consisting of 5-6 experts in various branches of personnel administration. As we consider this suggestion of ours to be vitally important and may be the key to the success of the new Central Personnel Agency, we will define the functions and qualifications of the Adviser and the Advisory Unit in greater detail. The following specifications are recommended in respect of the Head of the Advisory Unit, i.e., Personnel Adviser.

- (a) He should be a person with at least seven years experience of handling Personnel Management functions at a very senior level. Such functions should have included Manpower Forecasting, advising on remuneration schemes, designing selection and promotion procedures and organizing training programmes.
- (b) He should also have knowledge about the most recent advances in 'Organizational Behaviour'. It will not be necessary for him to be able to design and administer selection tests or training procedures involving special techniques but he should have sufficient knowledge to be able to give general guidance to subordinates to assess their recommendations and to evaluate their activities.
- (c) Optimum age for the post would be about the early forties but this requirement should be kept flexible.
- (d) His suitability should be judged not only on his capacity for designing overall personnel policies and practices but also proven operating capacity for implementing his ideas. His past occupational history, therefore, should be the main criterion for selection.
- (e) In order to make a start, such a person may have to be recruited from outside government service. He should be brought in on a limited term assignment. Terms to be offered should be made flexible so that the most suitable person available can be obtained. It should be his specific assignment that he will arrange for his succession and will have designed at least 10 manpower development models for 10 separate units. The period of assignment should be 5 to 7 years. Besides salary there should be an arrangement for a gratuity payment which will be paid if the assignment is successfully completed.
- (f) He will have the authority not only to comment on policy proposals put up by others but also to initiate policy proposals.
- (g) He will keep himself fully conversant with modern selection, recruitment and training methods. So that he can give advice on such matters wherever it is needed.
- (h) Each year he will select two or three units, either departments or corporations, and with their agreement launch manpower development programmes including forecasting, selection and recruitment, internal appraisal schemes and promotion procedures. Wherever he launches any such scheme, he will also arrange for a suitable person to take over the running of the scheme and will continuously bring in necessary modifications.
- (i) He will keep himself fully informed on wage and salary patterns in the country and recommend modifications in remuneration policy as they become necessary.

- (j) By examining such personnel reports as are centrally available, he will create short lists of specially promising individuals so that he can give suitable advice to ensure that talent is utilized in the most useful way.
- (k) He will organize and conduct central training courses of an inter-departmental type.
- (l) He will advise corporations and departments about the most effective way of organizing training programmes in terms of their own specific needs and resources.
- (m) He will keep a running inventory of training courses available in the country so that he can advise units about their utilization.
- (n) He will provide such advice and service to the Union Public Service Commission in their selection, recruitment and placement methods as they may require from time to time.

5.16 Lastly, we consider that the function of the Advisory Unit should be essentially catalytic and experimental, so that some models can be designed which can be the basis of action in other areas. A few successful experiments in appropriate locations can have a widespread multiplier effect.

#### *Personnel Units in Departments*

5.17 The farther we move from the Central Personnel Agency, the more detailed the association of the personnel unit with the more executive aspects of personnel management. The second line of personnel agencies is at the level of individual ministries and departments. These personnel units will still have to deal with quite a few matters of high policy in respect of personnel in their respective departments. We find that at present developmental functions of personnel management are not fully realised and personnel management, in many cases, is just treated as a part of establishment work where leave is sanctioned, transfers are made and references for *ad hoc* appointments considered. Personnel planning, career development, long term policy about training etc., are just not on the list of their functions. We were surprised to find that some of the heads of the departments did not have a full appreciation of the personnel problems of the departments. This is partly due to the fact that they do not have proper staff assistance in this field which would 'educate' them in this essentially specialised field and focus their attention on problems confronting them or, in the near future, likely to confront them. The only answer, therefore, appears to be to give personnel management its due place. We, therefore, recommend that properly staffed personnel units should be established in every department.

5.18 We have not detailed the various function which these units should perform. The broad principles as enunciated above in the case

of the Central Personnel Agency should be adopted in their case. We have elsewhere suggested that the ministries should delegate the maximum possible powers in respect of personnel management to the executive departments. The personnel units in the ministry, therefore, should deal only with policy questions and the day-to-day problems of personnel working in the Headquarters Organisation itself. There should be no confusion between the two functions, and we consider that there should be two distinct wings, one dealing with policy and the other dealing with day-to-day personnel functions.

5.19 The level at which a unit functions reflects the importance attached to the functions performed by that unit which, in turn, determines the effectiveness of that unit. We find that personnel units are generally placed at a low level. They may formally be in charge of senior officers who in addition may have a number of other functions and therefore, the effective heads of these units are very much lower down in hierarchy. We do not consider that this is a satisfactory arrangement and recommend that the level of the head of these units should not be more than one or two levels below the chief executive of the organisation. In the bigger ministries, the head should be of the rank of joint secretary and in smaller ministry a deputy secretary. In the case of a department he should be of the rank of joint head of department.

#### *Personnel Units in State Governments*

5.20 So far as the State Governments are concerned, a sample survey shows that there is no single agency, as in the case of the Central Government, in which all the personnel functions which need centralized attention have been vested. There is no agency in any State Government which has been charged with the positive aspects of personnel administration, viz., career development schemes, overall aspects of training, research in personnel administration, etc. Personnel policies are generally not identified as such, nor are they isolated for separate treatment. They are mixed up with the day-to-day administration. Manpower planning is being dealt with only on a general basis in the planning and development departments in some States and by the Administrative departments of the Secretariat in others.

5.21 We feel that there is no proper appreciation of the real nature of personnel functions in State Governments. This should, therefore, be the first endeavour of State Governments. A central agency in each State should be established which should be charged with the same functions as suggested by us for the Central Personnel Agency. In a number of fields, however, these agencies will work under the leadership of Central Personnel Agency and in some cases, like the administration of All India Services, they will have to be the implementing agencies for policies broadly laid down by the Central Personnel Agency. Subject to these, they will be completely autonomous and responsible for guiding the entire personnel management in the whole State.

5.22 The location of this Agency in the States does not admit of any alternatives as in the Centre. At present, General Administration



Departments or such other departments dealing with general personnel policy at the highest level in a State, are generally placed under the Chief Secretary. We consider that this arrangement should continue even when the new Personnel Agency is established. The Chief Secretary should, however, be assisted in these functions by properly trained staff.

5.23 We also note that, in States, most administrative powers of importance are concentrated in the Secretariat Departments. By and large, the Secretariat Departments wield all the powers so far as Class I posts are concerned. In some States, even in respect of Class II posts the powers in regard to postings, transfers, officiating appointments have not been delegated to Heads of Departments. Generally speaking, the Heads of Departments are vested with administrative powers only in respect of non-gazetted and subordinate service staff. We have already made recommendations regarding the delegation of personnel powers in para 4.79. This should be accompanied by the strengthening of personnel departments in accordance with our recommendation in the earlier sections of this Chapter.

### *Personnel for Personnel Agencies*

5.24 Lastly, we consider that the staff selected to man different personnel units should be well equipped to perform their duties. Personnel management is a specialized branch of administration; in fact, in recent years there has been even greater specialization in its sub-branches, with the result that it is possible today to have specialists in different aspects of personnel administration. This is not to suggest that there is something esoteric about personnel administration. All that we wish to stress is that the different wings of the Central Personnel Agency and all Personnel units at different levels should be manned by persons having the requisite professional skill.

5.25 We consider it of the utmost importance that the Central Personnel Agency should develop a cadre of personnel specialists who should be adequately and comprehensively trained. This cadre, however, cannot be built on the pattern of services because almost each speciality would throw up persons having aptitude for personnel work. It is for the various cadre authorities to pick up such persons and specially groom them for higher positions. There will, however, be some persons who may start their career in the field of personnel management itself, some of whom may, in due course, rise to higher positions. According to us, in this speciality, it is not so much the academic attainment or high level of specialisation in research institutions as practical experience of actual work situations coupled with proper orientation and training that will be crucial for the smooth and successful functioning of personnel departments. The Central Personnel Agency should specially look into the development programmes for personnel officers in various personnel units. Gradually, an interchange of personnel officers between the Central Personnel Agency and other personnel units in the Central Government and also between the Central

Personnel Agency and Personnel Agencies in State Governments should start. In due course specialisation may develop even in these cadres, each group dealing with a special field like economic, financial, industrial or social administration.

5.26 In the end, we wish to stress the point that personnel cadres should be built up of persons, specially selected, adequately trained for and with aptitude for personnel work and should not, even in the initial stages, consist of persons who already, more by accident than by design, just happen to be doing some kind of a personnel job.



नमः शिवाय नमः

## CHAPTER VI

### POLITICAL EXECUTIVE AND PERSONNEL ADMINISTRATION

6.1 The political executive occupies a crucial position in democratic administration. In a parliamentary democracy, Government is constituted by the leaders of the political party which is returned in a majority at a General Election. Its victory at the polls conducted on the basis of adult suffrage invests it with the authority to represent the people and thus confers on it the right and privilege of leadership. The primary social force of the community is represented by the political party in power, and the political executive as its representative handles the machinery of Government as the instrument through which appropriate social and economic changes are brought about in conformity with the objectives, policies and priorities of that party.

6.2 A heavy responsibility is thus cast on the political executive for providing a meaningful and purposive sense of direction to the community. It is ultimately true to say that every Nation gets the Government it deserves. And yet the leadership in a community has to accept responsibility for all that the Nation has to face. There need, therefore, be no doubt or question about the location of responsibility for failures on any front of the social, economic or political life of the Nation. This is, however, more so in respect of the particular factor which may be designated as "the general atmosphere prevailing in a Nation" or, for want of a better expression, the Time Spirit—the creation of which is in their hands and for which they must be held fully responsible. This is well expressed in the following Sanskrit couplet :

कालो वा कारणं राज्ञो राजा वा कालकारणम् ।

इति ते संशयो मामृद् राजा कालस्य कारणम् ॥

(महाभारत शांतिपर्व, अध्याय ६६, श्लोक ७६)

The king is responsible for the creation of the Time Spirit. In a democracy, where the people are sovereign, this responsibility must be necessarily accepted by the political executive as representing the people.

6.3 It is the Time Spirit which ultimately decides whether the nation, as a whole, is on the upgrade or is consciously or unconsciously slipping downwards. In particular, the Time Spirit is the regulator of the National Conscience which determines whether the great majority, who are always on the fence, cast their weight on the right side of all that is good in national life thus enriching it and making it grow from strength to strength or, on the other hand, get corrupted and act as a weighty drag pulling the nation fast on the slippery path of National Decay.

6.4 As the political executive is at the top of the National life, it is but natural that people should look up to it for setting and maintaining the highest standards. Integrity, austerity and hard work are expected from each individual but the standard of expectation and performance expected of him must be directly proportional to his position in life. The task of enforcement of appropriate standards at all levels would be much easier if these are strictly applied at the highest level. It is a mere truism to state that one, who is not himself adhering to the principles he preaches, cannot with any conviction or moral courage, ask others to follow them. If he does so, he would not be taken seriously.

6.5 We, therefore, consider that it is for the political executive in the country to create the new climate in which, with the help of non-official leadership and the administrative apparatus, it will be possible to instil a sense of dedication all round, to reward merit and hard work, to punish idleness, sloth and indifference, to root out corruption and so set the tone that the best in the national life is thrown up in the process.

#### *Political Executive and the Civil Servants*

6.6 In assessing this responsibility of the political executive, we would like to make it clear that it is not our intention to foist the whole blame on the political leaders for the present shortcomings of the administration. On the contrary, the services must accept in a full measure their share of the blame too. Can there be any excuse for the failure on the part of a civil servant to offer frank advice on the ground that it may not be liked or appreciated? If he is not able to muster even this much courage in a free India, there must be said to be something positively wrong with his make-up and character. It is to secure independent and well-considered advice from them that they are so well paid and Constitutional guarantees are provided to protect them from any action springing from prejudice. It should be realised that such an excuse only recoils on the one who makes it.

6.7 We feel that there has been a basic failure on the part of the administrative leadership which has contributed to the present situation in the administration and not all of it can be attributed to the impact of democratic institutions. There has been a recognisable fall in service standards for which full responsibility must be accepted by the heads of the administration. There is no valid explanation for failure to exercise supervision, for the various instances of administrative slackness and for the tacit acceptance of the present state of the administrative machinery by a fraternity who had seen it in a better form in the past. It does not seem to have led to any heart-searching amongst them and to any effective move on their part to improve conditions. We hope the Central Personnel Agency when constituted will be enabled to play a role in personnel administration which would take full responsibility for what are clear administrative failures. Gladstone once said to the House of Commons :

"Your business is not to govern the country, but, it is, if you see fit, to call to account those who govern it".

It follows that, according to Gladstone,—

- (a) the services should be allowed to govern the country; and
- (b) to call them to account if they fail to do so.

We feel that there has been a failure on both these counts.

6.8 While the leadership of the Minister in the entire sphere of administration is undoubted, both in law and in fact, the complexities of modern government, the time he has to devote to parliamentary activity, the necessity of keeping in close touch with the people and the increasingly technical nature of the various decisions that have to be made, necessarily limit his sphere of direct participation in all the intricate and detailed aspects of administration even on the part of the most dynamic and competent of personalities. All that one can succeed in doing is to see that one's policies, attitudes and directions are well-understood and that implementation is according to them.

6.9 The Minister's only instrument for this purpose is his Secretary on whom he relies for constant advice and guidance. He can, of course, take any additional assistance he needs, but never in such a manner that he generates a feeling of lack of confidence in his sole instrument. He has to secure that complete confidence and understanding prevails between him and his Secretary. He must be able to draw the best out of his permanent staff and make them willing partners in all he intends to do.

6.10 All this puts a great responsibility on the Secretary. He must be open enough to understand his political chief and see that his undoubted capacities which have brought him to the top of the administrative ladder are so used as to encourage the political chief to open out his mind to him. His capacities must act as the manure and water with which the seed of knowledge of what his political chief wants and desires can grow to its full height in the departmental soil of the administration. He must be eager to ascertain how his political chief likes things to be done and act accordingly. It is the lack of this openness, the harbouring of the feeling that everything that is being done is all right, that anything new is unnecessary interference and must be scotched out, that leads to the criticism often heard from the leaders of the nation of their being unable to achieve anything because of the iron frame of the administration.

6.11 Once this understanding is secured, the political chief should leave the actual implementation to his executive head. He can always ask questions on any matter to satisfy himself that things are going on all right. But before he interferes, he must not only be very sure of his ground but he must also proceed in a way that his Secretary continues to feel the same confidence in his attitudes and judgment as when they started. Any feeling that the political executive is acting out of political

weakness or to secure an unfair advantage or any other consideration which an honest and a sincere person would scorn to harbour, starts a deteriorating process which may ultimately lead to a situation where each utilises the other for his own ends and the whole administration suffers. So intimate is this relationship that the present practice is to give the Minister the choice of his Secretary out of a panel of three prepared by the Appointments Committee of the Cabinet. While this gives a certain choice to the Minister, it also opens up a possibility of approaches to him on the part of the Services. We are providing for the contingency of their being unable to get on, by the recommendation that it should be open to either of them to ask for a change. In view of this, the balance of the consideration appears to be in favour of a single nomination to the post, recommended by the Central Personnel Agency so as to eliminate all personal elements in the appointment.

6.12 No hard and fast rules can be laid down to describe this delicate relationship between the political executive and his Secretary. The dividing line between their respective functions is generally indicated by the statement that while the laying down of policies is the privilege of the political executive, their execution should be left to the administrative head. But, in practice, it is very difficult to determine where policy ends and execution begins. Besides these difficulties of basic principle, there are personality factors and degrees of mutual adjustment, which go to determine the actual role of the two partners.

6.13 Initially there were certain built-in obstructions to the development of harmonious relationship between them. The services were used to the ways of the old administration. Its essential feature was that it was leisurely, not achievement-oriented and not responsible. The heads were drawn from the same service and therefore there was an understanding which tampered the demand of answerability. The situation at the dawn of independence was different. The new executive was anxious to do their bit for the country which was hungry for development. They were answerable to Parliament and Assemblies. They were in a hurry and had no patience with the leisurely functioning of the past. Most of them during the course of the National struggle had crossed swords with the very services whom they had come to rule. Another complicating factor was that, except for the top leadership, many had not only no previous experience of the administration, but, in intellectual capacity and comprehension, were not always as highly gifted as the services. These circumstances were not conducive to the development of mutual respect.

6.14 In spite of these handicaps, it must be said to the credit of the services and the political leadership that, though none of them had any previous experience of running a democratic state, their initial impact was not as unharmonious as their differing backgrounds would have indicated. By and large, the services adjusted themselves to the demands of the new situation and did their best to co-operate with their new masters. It is because of this that the government at the Centre and the States were able to withstand the critical situations created by the partition,

the refugee problem and the two wars with China and Pakistan. The fact that India has been able to maintain and run a democratic system for two decades in a world climate which does not appear to be particularly favourable to democratic institutions must also be set down as due to this factor. However, over a period of time, certain defects in the working of this relationship have become apparent. On their part, the services have failed to exercise supervision and control over the administrative apparatus, to see that it becomes achievement-oriented, to secure that good work is rewarded and bad work punished, and in maintaining the general efficiency of the administrative machine. They, however, feel that, to an extent, this result has been brought about by the unconscious inroads on their authority by the political executive.

6.15 Efficient administration is a result of various factors. Respect for authority, reverence for superiors, fear that indiscipline and laxity will be punished, an atmosphere of unquestioned obedience to, and respect for, one's immediate superiors prevailing in the government hierarchy, all contribute to administrative efficiency. The installation of the political executive as the administrative heads created a new situation. There was now a new head who unlike his predecessor was approachable. Influences could be brought to bear on him. The general belief that "public administration is an art which any able-bodied citizen can easily master" could be taken advantage of by insinuating cases of supposed injustice which could be brought before him for redress over and above the head of the departmental hierarchy. Casteism and regional considerations did also play a part in the whole process of bringing about administrative deterioration. The foreign administrator could afford to keep himself aloof from all these factors because he was not answerable to anybody. The new political heads, for the very opposite reason, could not entirely escape the contaminating influence of these factors. Thus, came about a situation where administrative authority became eroded. There was a tendency to look not to one's immediate superior for redress of grievances or for promotion but to approach the Minister direct for these purposes. A situation was created in which one's confidence that merit and hard work alone were the avenues of promotion came to be shattered and replaced by a tendency to approach the highest quarters for securing these rewards of service. This is the explanation given by the services for the present situation with which the administration is faced.

6.16 Two other factors contributed to the worsening of the administrative atmosphere. The first was the human failure to appreciate and understand seemingly unpalatable advice. Officers who were reputed for outspokenness were gradually relegated to insignificant positions with the result that, increasingly, palatable advice alone came to be delivered. Free and frank advice, if unpalatable, was withheld. We have reason to believe that, over a period of time, this tendency has been very much on the increase. A Chief Minister of a State mentioned to us that he could never be sure that the advice he was getting was really the opinion of his Secretary or was being tendered under the belief that it would be liked. Secondly, officials working in the field carried the impression that their

future prospects came to be affected by the stream of information about them, communicated to the Chief Minister of the State by the local bosses. This led to erosion of self-confidence of the administrators and, depending on the personality of the officer concerned, there was a tendency to subordinate integrity and impartiality to the demands of political exigencies as desired by the local leaders in power in the district. Thus, interference over the administrative head in service matters, incapacity to tolerate unpalatable advice and a feeling in the districts that the view of the local bosses about them was a determining factor affecting their future have continuously resulted in a general fall in the standards of administration.

6.17 It is not our concern to apportion blame for this result. What is more necessary is to draw correct lessons from past experience and devise ways and means to secure improvements in the future. If our analysis of the present administrative situation is correct, what concrete steps can be taken to see :

- (i) that near ideal conditions prevail between the Minister and his Secretary and Departmental head;
- (ii) that the services are encouraged to offer advice undeterred by the fear that it may not be liked;
- (iii) that in the field administration, they are able to maintain impartiality and honesty and are not haunted by the fear of tales being carried about them, which may affect their prospects; and
- (iv) that a new confidence is created amongst them that their prospects depend entirely on their hard work, honesty and merit and need no other prop or support?

6.18 One of the suggestions is that there should be a written code defining the political executive-civil servant relationship in clear terms so that there is no scope for ambiguity. This will enable the civil servants to refer to the code and thus avert any pressure being exerted on them. The code will also enable departmental action to be taken against them for violating the code. This remedy might be useful and tried at the lower levels of the administration. It may help a BDO in the case of a Panchayat Samiti or the CEO in case of a Zila Parishad in pointing out the appropriate sphere of his action, and may help to introduce greater efficiency in the working of these institutions. But at higher levels it is not likely to work, not being conducive to the growth of harmonious relationship. Here the trouble arises not from any lack of knowledge of what is right or wrong, but from a failure of the human factor which is likely to induce an encroachment on what are essentially service matters, by virtue of the unquestioned final authority vested in the political executive. It is not always sufficiently realised that the administration is a delicate instrument having a tone and optimum functioning capacity and any improper interference at any level with this instrument is apt to throw it out of gear and adversely affect its efficiency. Once the hold



of the Secretary over the administration is loosened, once it is known that things can be got done through his political chief that have not been possible to be done through him, an unconscious process starts which may well land the political chief in considerable difficulty by the Secretary refusing to take further responsibility and referring all cases to him for orders. It should be realised, however, that the absolute authority of the Minister over the personnel in his department is ultimately to secure the National weal through the democratic form of administration. It is to the Nation that there must be a common loyalty of the Minister and the Services. The Services should never be used for any lesser ends, and it is their duty to point this out clearly when circumstances demand it. On the other hand, it is not unusual to notice a 'touch me not attitude' particularly when the Minister is temperamentally weak and unable to assert himself. At times the undoubted coordinating authority of the Prime Minister or the Chief Minister may be so extended as to commit inroads on ministerial responsibility. A variety of such conditions and circumstances will need appropriate action on the part of either which it is impossible to indicate with any definiteness or precision. It is only possible to indicate in a general way some of the important considerations which should regulate this relationship :

- (i) both of them should clearly and sympathetically appreciate the role of the other, and attempt at a maximum accommodation of each other's view;
- (ii) on the part of the political executive there should be
  - (a) a proper understanding of the administrative functions and recognition of its professional nature;
  - (b) as little interference as possible in service matters *e.g.*, postings, transfers, promotions etc. Discouraging officers of the department to see him personally for redress of service grievances;
  - (c) no requests for departures from declared and approved policies to suit individual cases either as a result of political considerations, or other considerations, which cannot be reduced to general principles of action;
- (iii) on the part of the Services :
  - (a) there must be a sincere and honest attempt to find out what the political head wants and make the necessary adjustment in policies and procedures to suit his wishes;
  - (b) a readiness to fall in with his political chief in all matters, unless strong grounds indicate a different course. In such a case he should politely indicate his dissent and if he is overruled in writing he should willingly carry out his orders;
  - (c) the Minister usually has a department, and it frequently happens that the head of the department and the Secretary are different individuals; frequently they differ in the advice they give. In such a cases the best course is for personal discussion

with both, frequently in each other's presence, and no Secretary should consider such action as any encroachment on his personal relationship with his Minister.

6·19 In our opinion it should be one of the important duties of the Chief Minister in the State and the Prime Minister at the Centre to see that proper relationship between the Political Executive and the Civil Service develops and continues to grow. In case certain stresses and strains are apparent, immediate remedial action should be taken. Any delay is likely to vitiate the atmosphere so badly that till it persists it may adversely affect the working of the whole department.

6·20 As a measure to avoid such a situation developing, we recommend that it should be open to either side, that is, the Political Executive or his Secretary to ask for a change. This option should be strictly limited to the level of Secretary. Those in the lower rungs in the hierarchy must be fully responsible to the Secretary. If a Minister considers that a change is necessary, at a lower level, he should tell the Secretary and the change should be effected through him. A request for change from either side should not be considered as a reflection on the capacity of the person, to pull on with the other; it should be granted, as a matter of course, as soon as it is made. We do not consider that a necessary corollary to such a request should be also to ask for a successor by name. The new appointment must be made in accordance with the normal procedure because if this salutary principle is not kept in view it may give rise to favouritism and groupism in administration.

6·21 We do not consider that the above suggestion is likely to result in frequent changes. Firstly, such a request will never be made lightly. It will be made only when either party has reached the limit of his accommodation. Secondly, frequent requests of this type will expose an individual's weaknesses to such an extent that it will ensure that every effort will be made by him not to make them. One of us considers that the very idea that the Secretary can ask for a change may create more problems than are sought to be solved.

6·22 The menace of casteism and regionalism has been brought pointedly to our notice particularly in some States. These attitudes seem to have got tacit recognition and support, on the ground that the realities of a situation must be recognised, and that the only way to do so, is to provide for an appropriate balance between the different castes, in regional administration. This is not only allowing the spirit of casteism and regionalism full sway and recognition, but the surest way of perpetuating it by giving it official sanction. We cannot too strongly emphasise that in the present situation in our country, fissiparous tendencies are likely to be encouraged by such recognition. The only sure way of combating casteism is to scotch out all traces of it wherever found; not to encourage them, particularly in the Services. There have been complaints made to us by highly placed officers of feelings of injustice being harboured by them on the ground of postings, promotions and transfers taking

place on account of caste and regional considerations. It is necessary to reassure the services and administrators that no account will be taken of these factors in relation to Service matters, except as a matter of deliberate policy of providing weightage in recruitment.

6.23 It is unfortunate to notice these considerations of region and caste affect the services too. Complaints of such attitudes on the part of Service heads have been made. It only shows the depth of this disease and what Herculean efforts have to be made to root it out. Whatever excuse the political executive may have for such attitudes on political and democratic considerations, the Services must be entirely free from them in the National interest.

#### *Advisers to Government*

6.24 Advisers to Government in a number of special fields are appointed from time to time on an *ad hoc* basis or even on a permanent basis. Conceptually an Adviser is Adviser to Government and not to a particular Minister in his personal capacity. Hence it is the Government through its Secretary which gets his advice and not an individual Minister. He is an integral part of the Ministry whose administrative head is the Secretary to Government and he should, therefore, function through the Secretary. Lest this statement shall be misunderstood, it may be clarified that 'through the Secretary' does not presume a hierarchical structure and superior-subordinate relationship nor does it signify a rigid line of communication. An Adviser, placed sufficiently high, may have a direct approach to the Minister though in that case the Secretary should be kept informed of all the proposals and should have a right to give his opinion.

6.25 A suggestion has been made that a Minister should have his own advisers whom he should be free to choose. The idea is to provide 'brains trust' to throw up imaginative new ideas. Conceptually, this means provision of staff assistance outside the Ministry to the Minister personally. We are not able to appreciate the precise advantage of such an arrangement because, in the last analysis, the entire Ministry in a way provides staff assistance to the Minister in his capacity as the executive head of department. If there is a need for reinforcing the staff support in any particular organisation, it should be done within its broad organisational frame. Flexibility in selection can be built in as such appointments should necessarily be made on an *ad hoc* basis and for a fixed tenure. This arrangement will have an additional advantage of guarding against the possibility of nepotism and favouritism which are not very unlikely if appointments and selections are made completely discretionary.

6.26 The most important reason why we do not favour such an arrangement is that it will create a body of officials who will have no direct responsibility and, yet being very near the political executive by virtue of their positions, will profoundly influence policies. We are against any such structure where advisory functions are divorced from

responsibility. Such a step is likely to blur the areas of responsibility and may even result in friction and disharmony in the department.

### *Training of Political Executive*

6.27 The above discussion clearly shows that the Political Executive has to have a combination of qualities which are relatively rare. At these levels the person concerned requires well developed executive ability as well as developed qualities of political leadership. It is one of the weaknesses of a democracy that the choice of a political executive is based on factors not necessarily related to his capacities and personality. This is all the more so in those countries where the democratic institutions are yet to strike their roots in the soil and which are passing through critical periods of rapid social and economic change. To add to these difficulties, the nation seems to have shifted in the course of two decades into a situation which demands a programme of moral regeneration in all walks of national life. There has developed a general tendency to work less and ask for more. The task of the political leadership is, therefore, the most important, the most exacting and the most unenviable.

6.28 We would like to invite attention to the fact that there are no arrangements for providing an administrative background to persons selected to perform the duties of a political executive. His development as an executive is left entirely to chance and individual initiative. A proper initiation appears to be necessary in the context of our administrative situation where relationships have not yet crystallised and problems facing any department are much too complex. During the course of our discussions we gathered the impression that mutual appreciation of respective roles between the political executive and civil servants improved with experience and better understanding developed with the passage of time. It is true that there can be no substitute for experience, but, as we have pointed out in the preceding chapter, there are certain areas in which a long process of actual experience can be substituted by properly designed, institutional programmes. We, therefore, consider that such programmes should be instituted for the political executive which could be gone through in the normal course of their political life even before they are selected as Ministers. We need not be apologetic about this nor should we stand on any false sense of pride. We may state that this would not be an innovation unheard of. Even in our own country there are well designed programmes in the limited field of Community Development and Co-operation which have served well both officials and non-officials for quite some time. The Yugoslav practice of having a fullfledged programme of orientation for their newly elected political executives may be of relevance; no one can assume office before successfully completing these programmes. Formalisation to this extent is neither necessary nor desirable in our democratic set up. But a well conceived and purposeful programme would be of immense value. We, therefore, recommend that a programme either under the aegis of the Parliament or some academic institution may be drawn up.

6.29 We note the role Zila Parishads and Panchayat Samitis will play in the process of building up leadership. They should provide opportunities for constructive work both to the new comers to political life and to others returning from higher levels. Active participation by the political leaders at these levels would give them a better understanding of the administrative problems and an opportunity to come in closer touch with the realities of life, specially for those coming from urban and upper class background. The rising stature of presidential and other positions in Zila Parishads is already in evidence in Maharashtra and Gujarat. This is a healthy sign and should provide the necessary ground for development of political executives for the highest tiers in Government.



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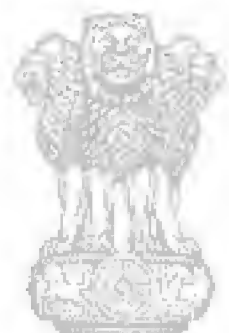


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## PART II



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## CHAPTER VII

### STAFFING OF PUBLIC SECTOR ENTERPRISES

#### A. INTRODUCTION

7.1 As a measure of conscious policy, government, during the last two decades, has been establishing companies, corporations and other kinds of registered bodies for the performance of new functions. These bodies are broadly of two kinds. On the one hand, there are the industrial and commercial enterprises in the State sector. On the other hand, government shed itself of certain traditional non-administrative functions mainly relating to service and research and entrusted them to autonomous organisations; the Indian Council of Agricultural Research is an example. As a result, the quasi-government sector has become quite large needing special attention.

7.2 Employment in the State sector has been increasing at a much higher rate than in the private sector and this trend is likely to continue. Within the state sector, the rate of growth of employment in quasi-government bodies has been the highest, viz., 70.2%, during the Third Plan period as compared to 44% in local bodies, 25.9% in the Central Government and 23.7% in State Governments. Even in absolute terms, the figures are sizeable; the quasi-government sector employed 13.16 lakhs of persons as against 26.32 lakhs under the Central Government and with the present rate of growth this sector will soon become bigger than the Central Government. The number of jobs in the higher range in the quasi-government sector is one and a half times that in the Central Government. In 1965 4.2% of the total personnel in this sector were in the salary range Rs. 500.00 p.m. and higher as against only 1.4% in the Central Government; for the Rs. 400-500 range the respective figures were 2.9 and 0.9. Thus any personnel policy which does not cover the quasi-government sector will be completely unrealistic in the present context.

7.3 We should like to make it quite clear right at the outset that our emphasis on the need for a well considered personnel policy for the quasi-government sector should not be construed as any kind of a plea for interference by government in this field. We are fully convinced that autonomy is a most desirable objective and, as a matter of fact, the *raison d'être* for the existence of the quasi-government sector. We have earlier referred to, and illustrated, the dangers of following wrong personnel policies in the initial stages, either as a result of ignorance or as a result of pressures from vested interests. Here we wish to re-emphasise the fact that, if things can go wrong in government where suitable institutional arrangements, like recruitment through the UPSC, promotions through Departmental Promotion Committees etc. exist, such possibilities are much greater in the case of autonomous organisations, where there

is generally little past experience to go by, and where it is easier to rationalise improper action. Although, in theory, it can be said that there is no permanency of service in the quasi-government sector and thereby mistakes in making appointments can be corrected, experience does not bear this out. Unemployment, low mobility and other factors usually make removal or dismissal very difficult and we can safely conclude that service in the entire state sector is, for all practical purposes, fully secure, if not permanent.

### *Classification of 'Quasi-government' Organisations*

7.4 Organisations in the quasi-government sector are either (i) 'profit-making' organisations, e.g., industrial and commercial undertakings, financial institutions, etc., or (ii) 'non-profit' organisations, e.g. Research, Teaching and Welfare organisations like the C.S.I.R., I.I.P.A., University Grants Commission, Central Social Welfare Board etc.

### *Distinguishing Characteristics*

7.5 There are two important differences between these categories. Firstly, in the case of the former, there are concrete and objective indicators of performance like profitability, cost, etc. In the latter, however, it is not possible to make any quantitative assessment of performance. When this difference is applied to the field of personnel management, it will be seen that, in profit-making organisations, the review of the performance of an organisation, as a whole, should automatically mean a review of the performance of its personnel. Secondly, in industrial and commercial enterprises, government comes into the picture as a provider of finance and thereafter leaves them free to operate on a commercial basis; 'non-profit' organisations, however, are more like the spending departments of government with hardly any 'return' to show. The total provision in the Central budget alone for the year 1966-67 for non-profit bodies in the quasi-government sector is of the order of Rs. 157 crores. In the light of these differences, a separate approach on the part of government towards the personnel problems of each category seems justified.

### *Public Service Commissions*

7.6 In government, there are some institutions with respect to personnel management that deserve special mention. Recruitment, promotion, etc., has been institutionalised through the UPSC and State Public Service Commissions as a result of the anxiety of the framers of the Constitution to ensure that there is no scope for patronage. This consideration becomes even more important in a developing country where service under government continues to be a privilege. Further, based on the knowledge and expertise developed over a period of time, the role of the UPSC and the State Public Service Commissions is now changing gradually from one of merely maintaining some standards of rectitude to that of providing dynamic leadership in personnel administration. It is our view that these considerations are equally important for

personnel management in the quasi-government sector—though the institutional forms may be different.

7.7 Organisations in the quasi-government sector are in the final analysis controlled by government either through governing bodies or board of directors of similar bodies nominated by them. Selection Committees for various categories of posts are constituted according to prescribed procedures, and, for higher posts, such committees even contain the nominees of government themselves. Even though this is so, the fact that these organisations are in most cases wholly financed by government would appear to require that recruitment, promotion, etc., in these organisations be subject to some safeguards broadly similar to those provided by the Union or the State Public Service Commissions in relation to appointments in government proper. The actual position, however, is that there are hardly any such safeguards. In view of the fact that an increasingly large share of employment in the State sector will be accounted for in the future by quasi-governmental organisations, the share of employment actually covered by constitutional safeguards will go on declining. It seems to us a matter of concern that, over a large field of what is in effect public employment, these constitutional safeguards should thus become inoperative—contrary to the intentions of the Constitution makers.

#### B. NON-PROFIT ORGANISATIONS

7.8 We shall now proceed to consider, first, the case of non-profit organisations. One important difference between organisations working as departments of government and as autonomous bodies, is the flexibility of procedures regarding recruitment, promotion etc., in the latter. Certain functions have been taken out of the government sector and entrusted to autonomous bodies mainly because of the desire to be free from the rigidity of procedures applicable to government organisations. However, it will be dangerous to read too much into this seeming difference of procedures between the government and the quasi-government sectors. The basic principle that every citizen has an equal chance for public employment subject to this suitability, has equal application both to the government and quasi-government sectors. Once this is conceded there can be no essential difference in recruitment and promotion policies applicable to either sector; e.g., recruitment procedures designed for both sectors must ensure consideration of qualified persons on an all-India basis, constitution of selection committees or boards consisting of competent people, objective assessment of candidates, etc. In the case of the government sector, the institutionalisation of such procedures has led to centralisation in the shape of the UPSC or State Public Service Commissions. One oft-repeated charge against such centralisation is that of delay. We feel that delay is as undesirable for the government sector as for the quasi-government sector, and that it is mainly due to a fault in procedures rather than to any intrinsic defect of concept. The fear of delay cannot, therefore, be a legitimate ground for justifying the rejection of a system

or procedure, that has been evolved and found suitable to meet certain basic requirements of personnel management.

7.9 This should not, however, be taken to mean the superimposition of all governmental procedures *mutatis mutandis* on these organisations. They need special treatment and separate procedures should be evolved keeping in view their special problems. We consider that, even for the entire non-profit quasi-government sector, a uniform treatment would not be necessary. For example, in the case of the bigger organisations like the C.S.I.R. which may be in a position to develop sufficient expertise within themselves, the role of the UPSC may be limited to ensuring, through a system of reporting and inspection, that minimum standards are maintained and proper procedures are followed. In the case of smaller organisations like the Indian Institute of Public Administration or the Indian Institute of Foreign Trade, or the Central Schools Organisation, their association may be somewhat wider. We have also considered an alternative proposal for setting up another constitutional body like the UPSC for serving quasi-government non-profit organisations but we are of the view that it will not be a practical proposition. Firstly, the appointment of such a body will mean additional expenditure. Secondly, it will have to duplicate some of the machinery already existing in the UPSC. Thirdly, the vast experience which the UPSC has gained and will continue to gain in the course of its normal functions in relation to government services, will be denied to the new Commission. Finally, we consider it important that the UPSC should progressively assume the role of a leader in personnel administration, rather than being tied down to day-to-day functions. The extension of its jurisdiction to non-government organisations will help in achieving this objective and it will initiate a new process of thinking and may even lead to bold experimentation in an unexplored area of personnel management.

7.10 We, therefore, recommend that the jurisdiction of the UPSC should be extended by an Act of Parliament under Art. 321 of the Constitution so as to cover non-profit organisations in the public sector substantially financed from public funds. The broad objective of this Act should be as follows:—

- (i) Broad personnel policies in respect of each organisation should be framed in consultation with the Commission.
- (ii) In the case of smaller organisations the Commission should also approve regulations governing recruitment and promotion including constitution of selection boards and promotion committees and such other matters. A member of the Commission should be associated in selections to the top positions.
- (iii) The Commission should develop an adequate system of reporting and inspection to ensure that these organisations adhere to the regulations whether approved by the Commission or framed otherwise and that certain minimum standards are observed in selections and promotions. In case, any appointment or promotion does not conform to prescribed standards

the Commission may recommend, at their discretion, their annulment to the governing bodies of these organisations, in case of difference of opinion the present procedure in relation to its advice to Government may be adopted.

- (iv) The annual report of the Commission to the Parliament should incorporate its work in relation to these organisations. Non-acceptance of advice in any case should be included in this Report.
- (v) The Commission may also undertake recruitment as and when desired by any unit. It may also arrange for common competitive examinations for junior entry levels at which fresh university men are recruited and where the intake is regular enough to be planned in advance.
- (vi) The Commission should develop modern techniques of recruitment, interview, appraisal of performance etc. and provide expert assistance to the public sector in these fields.

It is in this further context that the views we have expressed in para 4.111 regarding the need and challenging role that we envisage for the UPSC and SPSCs should be understood.

7.11 We may add that by entrusting the above responsibilities to the UPSC, it should not be construed that we intend to give any special status to employees of organisations so covered. They shall continue to be governed by the same conditions of service as at present, and they shall remain under the control of their respective organisations for the purposes of promotion, discipline, incentives, awards and all other service matters.

#### C—COMMERCIAL AND INDUSTRIAL ENTERPRISES

7.12 Commercial and Industrial enterprises in the public sector have been the subject of numerous studies in the recent past. Personnel policies of these undertakings have naturally roused considerable interest and far-reaching recommendations have been made from time to time. A sister Study Team, viz., the Study Team on Public Sector Undertakings, have considered personnel problems as an integral part of their study of the public sector and, therefore, what we have to say on this question essentially relates to the broader features of personnel policy, keeping specially in view the personnel policies for the entire state sector.

7.13 Personnel policies largely depend on the form and structure of public enterprises. Personnel policies for small units, each of which constitutes a separate company, will be, of necessity, different from the policies applicable to giant multi-unit corporations. For example, the personnel policies followed by Hindustan Steel Ltd. are bound to be different from those followed by Hotel Janpath Ltd. Despite this fact, there are certain broad features of personnel management, which are common to all public enterprises. In these organisations, it is the Board of Directors that are responsible for operation and management. We

would not go into the question of the internal composition of these Boards because it really is a structural problem with which another Study Team is concerned. We shall, therefore, deal only with the way these Boards should be constituted.

### *Board of Directors*

7.14 The appointment of the Chairman of the Board of Directors and the Chief Executive of the enterprise (if he is not himself the Chairman) is crucial. But we find that there is no well defined or uniform procedure for selecting persons for these positions. We wish to warn government against the danger that the field of choice for these positions may often get limited to those near the seats of power or within the knowledge of those in authority. This may sometimes result in well-qualified and suitable persons being inadvertently left out of consideration altogether. Obviously, this state of affairs would be undesirable and we must ensure full utilisation of all the talent that there is and we are quite certain that there is a much bigger pool of talent available in the country. There is also need for a regular built-in procedure whereby the advice of persons with special knowledge of industry and commerce becomes automatically available to government whenever positions of this kind have to be filled. This would avoid impressionistic decisions being made by persons with little knowledge of the appropriate fields.

7.15 We, therefore, recommend that a special committee be constituted for the selection of the Chief Executive. It should have persons with experience of running industrial and commercial enterprises in addition to Secretaries to Government. The Cabinet Secretary, and Secretary in-charge of the Bureau of Public Enterprises should be *ex-officio* members of this committee; other members should have a term of two years who may be chosen from working heads of important enterprises and secretaries in economic ministries. This Committee should prepare a panel of three names for each post and submit it to the Appointments Committee of the Cabinet, who may finally select one of them.

7.16 Another defect in the procedure of appointment to top positions is that the choice of successors is not made well in advance. Even when such a choice is made, there is no system of posting the successor as an under study for a specified period such that he is able to familiarise himself with the working of the organisation before he actually assumes the responsibility. We recommend that successors for key positions should be chosen well in advance and a supernumerary post should be created for a period of three months during which the successor must work side by side with the incumbent as an under study.

7.17 In the case of appointments of other members of the board, we first note that at present there is no convention requiring consultation with the Chairman or the Chief Executive. We think that such a convention would be a healthy one to follow. The limitation of the field of choice, as we noted in the case of Chief Executive, operates here as well

The few that are known and appointed to various boards are so much in demand and so busy that it may not even be fair to expect of them the depth of interest and attention that the concerns with which they are currently required. It should, therefore, be ensured that only such persons who can be reasonably expected to devote some of their time are appointed on the boards. At least in the case of officials, we recommend that as a general rule, no one should be nominated to more than two boards. But if the undertakings are small, this could be increased to three. By the same token, where the concern is large and/or complex, he should devote his attention to that concern only and should not be nominated to other boards. We recommend that a Committee consisting of the Secretary of the concerned ministry, Secretary in-charge of Bureau of Public Enterprises and the Chief Executive of the concerned enterprise, should be constituted who should prepare a list of suitable persons for appointment to the board of the enterprise and submit it to the Government for final selection.

7.18 We also find that the representatives of ministries and the Boards are, sometimes, junior officers who do not carry sufficient authority on behalf of the Ministry. We recommend that, as a general rule, only senior officers of the rank of Joint Secretary or Additional Secretary, would be nominated so that decisions are expeditiously taken at meetings of the Boards.

7.19 The most controversial issue in high level appointments in public sector undertakings is the appointment of retired or serving civil servants. The most appropriate and desirable course would be to appoint persons belonging to the undertakings themselves subject, however, to a very high degree of selectivity so as to ensure that it is professional skill and such other qualities that determine the selection rather than the mere fact of belonging to the organisation itself. Any laxity in this respect is likely to result in the inexorable rule of seniority being pressed for appointment to the highest positions and thus lead to the emergence of vested interests.

7.20 We also have to take note of the fact that a large number of enterprises are in the early stage of development and will not be in a position to throw up personnel for manning the highest positions for quite some time. As the public sector expands further similar situation will repeat itself in the newer concerns. In the foreseeable future, the demand of personnel for manning higher positions is bound to be in excess of supply. In order to obtain the most suitable personnel for these positions, therefore, the recruitment net will have to be cast far and wide leaving no sector of the national life untapped. We note here that the private sector will not be in a position to release their best personnel as they themselves are undergoing rapid expansion. This is said to have been the experience even in the case of the middle management level at the time of formation of the Industrial Management Pool; some of the best persons selected for the Pool were not relieved by their employers. The Public sector, therefore, will have to look mainly within itself for

getting the right personnel. The older undertakings should in due course be able to spare personnel for new undertakings. We are of the view that no personnel policy, which bars a particular category of persons from being considered for top positions, would be in the best interests of the public sector. The principle of the best person available anywhere being appointed to such positions has to be strictly applied.

7.21 Persons taken from the private sector will naturally be appointed on a contract or an indefinite tenure basis; those from within the enterprises themselves will be governed by whatever rules or terms are applicable to them. Government servants are usually appointed on a deputation basis for a fixed term. A special problem of such appointments is that these persons continue to look for favourable opportunities in their parent departments and, as soon as there is a chance for personal advancement, they wish to go back. Transfers between one undertaking and another are also frequent. In view of the fact that one becomes eligible for consideration for appointment to top jobs only in the later half or later one third of one's career, the process of movement to the public undertakings should be made irreversible. Appointments may be either on contract or an indefinite tenure basis as may be mutually settled in each case. We may further add that normally no one who is expected to serve for less than five years should be selected for these positions. We recommend that conditions and terms of service in the Government and in public undertakings may be suitably changed to facilitate this process.

#### *Other Higher Positions*

7.22 The practice of appointments to other top positions below the Board level in the public sector is not uniform; in some cases, government makes appointments only to the top-most positions, e.g., the Chairman of the LIC, while, in others, it makes appointments to positions much lower down in the hierarchy. The total number of posts, both at the Board level and below, to which Government makes appointments, stands at present at 139; these are:

Schedule A 10 posts Rs. 3500—125—4000

Schedule B 18 posts Rs. 3000—125—3500

Schedule C 58 posts Rs. 2500—100—3000

Schedule D 53 posts Rs. 2000—100—2500

The present procedure for making appointments to top positions is that the Bureau of Public Enterprises maintains a list of suitable candidates. Ministries, however, are free to consider non-panel names as well, in regard to posts with special requirements and when suitable persons are not available from the panel. The Appointments Committee of the Cabinet are responsible for the final selection.

7.23 We are of the view that the Board must have full control of the affairs of the company or corporation; none of its employees should look



to an outside agency on any account, whatsoever. Appointments below the board level must, therefore, be left entirely to the Board, Government must be extremely careful while making appointments to a Board, but once having appointed the Board, they must trust it fully. Therefore, the Appointments Committee of the Cabinet will now be concerned with the appointment of the Chief Executive of a public enterprise and the Chairman of the Board of Directors. The procedure that should be followed before names are submitted to the Appointments Committee of the Cabinet for these purposes has already been indicated by us.

7.24 The fact that the Boards are competent to make all appointments in a public enterprise should not, however, lead to a situation in which all appointments in a public enterprise become a close preserve for the employees of that enterprise only. We consider that posts of and above a certain level in all public enterprises should be open to the best talent in the country. These would be managerial level positions and not every public enterprise will have the capacity to have always available within itself the managerial persons that it is in need of from time to time. In any case, smaller enterprises will often need assistance in this field. Secondly, unless a comprehensive approach of this kind starts from at least two levels below the top positions, it will not be possible to implement any personnel development programme for managerial positions. We, therefore, recommend that, in spite of the boards being fully competent to make these appointments, they should, as a matter of convention, make second and third level appointments only from panels evolved for these purposes by a Central authority. The selected persons will, of course, be formally appointed by the Board and not by any external body. We shall in a moment be indicating in detail the procedure that should be followed for the preparation of these panels. At this stage, we would like to clear a possible misunderstanding of our position. Our intention is that all persons in any public enterprise who are adjudged suitable by a competent body for second and third level positions should be empanelled and, in this situation, there can be no question of the interests of the employees in a public enterprise being overlooked.

7.25 We appreciate the practical difficulties in preparing such panels, especially because at the time of drawing up of the panels, there are no firm vacancies and those empanelled may have to wait indefinitely for an offer. The empanelment, therefore, means nothing more than that a person included therein has been adjudged suitable for a particular category of positions. For those serving in the public sector or in government, these limitations do not pose a special problem as, in the case of the former, scheduled positions are the only avenues of advancement and, in any case, they will have to wait for vacancies to arise; for government officers, it provides one additional alternative for deployment and there is no hardship involved in waiting. The willingness of these persons, therefore, for a category of assignments without specifying the exact job, place of posting etc. can be ascertained and relied upon. Their movements in their parent cadres can also be taken note of and, if necessary, panels suitably amended. The empanelment of persons outside

government and public enterprises, however, becomes a tricky business. Their inclusion cannot but be tentative and subject to negotiations at the time of actual offer of appointment. Their availability and interest in a particular job may also undergo quick changes. Also, the response for a general category of jobs whose location as well as likelihood of occurrence is uncertain, is likely to be rather poor specially if it is noted that the private sector generally is unwilling to allow their employees to apply even for specific jobs elsewhere.

7.26 Keeping in view the above considerations, we recommend that the mechanics for preparation of panels should be as follows:

- (i) Lists of positions at the second and at the third level (which would ordinarily mean posts carrying a basic salary of Rs. 1600.00 or over) in various public enterprises should be maintained in three or four broad "managerial" classes (production management, financial management, personnel management, sales etc.) We are not rigid on the number of classes but we do not think it should be very large;
- (ii) On the one hand, the Central Personnel Agency in respect of persons serving in Central and State Governments and, on the other hand, the Central Association of Public Sector Enterprises for Common Services (CAPSECS), so far as public enterprises are concerned, will collect names considered suitable for these managerial positions; (See para 7.113 regarding constitution of CAPSECS);
- (iii) A committee of five consisting of three working heads of public enterprises, the head of the CAPSECS and the head of the Central Personnel Agency, shall go through these lists and make a selection therefrom of persons considered suitable for each managerial branch. By convention, the senior-most amongst these officials could preside over the committee;
- (iv) The adequacy of the number of names in these panels should then be judged in the light of the general rule that the number of names should be twice the estimated annual need. (We suggest that a specific rule of this kind should be followed in respect of these panels and that the multiple should not be varied from year to year);
- (v) Where, in a particular field, the number of names available is insufficient, the private sector should be tapped for making up the insufficiency. The method of open advertisement may not always prove fruitful in the case of the private sector and the authorities in charge of preparing these panels may have to have recourse to other methods of contacting competent people in the private sector. Further, these panels should be enriched by the inclusion of outstanding talent available anywhere whether in the public or in the private sector;

- (vi) Where any courses of training or special work experience are required for particular officers, the committee should make appropriate suggestions to the cadre authorities so that by the time these officers are actually needed, they are fully competent to hold those positions;
- (vii) The periodicity of regular empanelment is not a matter on which we are in a position to express ourselves categorically. We suggest that in the first few years, a review should take place at least once a year. Thereafter, the periodicity of the process of wholesale review and empanelment may be determined.

### *Industrial Management Pool*

7.27 We would like to refer here to the Industrial Management Pool, an earlier attempt at providing personnel for many of the managerial management positions in the public sector. Concern for the efficient management of public sector enterprises dates back to 1953-54, when the Estimates Committee of Parliament recommended the constitution of the Indian Commercial and Industrial Service. The Government of India, however, decided in 1957 to constitute an Industrial Management Pool to cater to the managerial posts of a non-technical nature relating, for example, to general management, finance and accounts, sales, purchase, stores, transportation, personnel management, welfare and town administration. The initial strength of the Pool was fixed at 200 and the annual intake, at 5% of the authorised strength. Selections were to be made by an *ad hoc* Special Recruitment Board. As against 212 selected initially for appointment to the Pool, only 130 could be appointed because either the private sector did not release some or others did not find the scheme up to their expectations. No further recruitment has been made since and, according to the 52nd Report of the Estimates Committee (Third Lok Sabha) there were only 105 officers in position in 1963-64. According to the Committee's own analysis of the problem, the main reasons for this state of affairs were as follows:

“Even then, its scope was restricted to nontechnical posts. Further, bulk recruitment was resorted to without ascertaining the exact requirements of public undertakings with regard to the types of officers required by them. Naturally this led to the selection of candidates possessing qualifications and/or experience different from what the undertakings required, with the result that they had to be persuaded to accept the selected officers. This is corroborated by the fact that it took a very long time to absorb the candidates selected to the Pool. It is also unfortunate that the Resolution about the setting up of the Pool stipulated that “it will not be obligatory on public undertakings to accept a member of the service for a particular vacancy, nor will the controlling authority be bound to supply a Pool Officer for every such vacancy.” Obviously, this lacuna in the scheme gave the public undertakings a choice whether or not to accept the

Pool officers with the result that they have been reluctant to accept those men who are rather considered outsiders. Taking all the above factors into consideration, the Committee are inclined to the view that neither was the scheme to set up the Industrial Management Pool conceived nor implemented properly."

In the light of these considerations, the Committee reiterated their earlier recommendation regarding the constitution of an Indian Commercial and Industrial Service.

7.28 We are unable to agree with this assessment of the situation. We feel that the scheme suffers from fatal defect in that we have a service without any corresponding posts. If the members of the service have to be found jobs, it will necessarily mean imposition of individuals on unwilling employers at least in a few cases. We also feel that any cadre which cuts across individual enterprises, will not engender in a member thereof that undivided loyalty to the enterprise which alone can ensure that he contributes his utmost and which the enterprise has a right to expect. Lastly, and this is very important, any quality of control in the matter of key appointments is likely to dilute the accountability of top management for performance. Even appointments, which in themselves may not be very important, can be put forward as excuses for failure. We reiterate that the Board of Directors must be given the fullest authority, and be made fully answerable to government for performance. We, therefore, recommend that the Industrial Management Pool be wound up. We further recommend that Government may fix up the present members of the Pool in various enterprises, preferably on a permanent basis.

### *New Pool Scheme*

7.29 A Committee was recently appointed by the Ministry of Mines and Metals to go into the question of manning managerial positions in public enterprises. The basic problem, according to them, is to attract youngmen of talent to the public sector even though emoluments do not compare favourably with those in the private sector. They further observe that, in many cases, the public sector cadres have failed to throw up suitable personnel for top management posts because opportunities for developing the necessary width of experience were not provided. In the public sector stagnation coexists with scarcity: stagnation in enterprises of average, or more than average size, and scarcity in newly started, or expanding, enterprises. Generally, prospects offered to promising men are limited except in very large enterprises. This fact, coupled with unequal prospects in different enterprises, has led to discontentment. To remedy this situation, the Committee have suggested the formation of common pools in the following branches for posts in the salary scales Rs. 1300—60—1600, Rs. 1600—100—2000 and Rs. 2000—125—2250:—

- (a) General management including stores, purchase, sales and personnel branches;
- (b) Financial management including commercial accounting and cost accountancy;

- (c) Technical consisting of construction engineering, electrical engineering, mechanical engineering, industrial engineering, chemical engineering and mining engineering.

It is suggested that these branches should not be completely exclusive of one another and that provision should be made for the inter-change of personnel. All the branches together should provide personnel for the top managerial posts. Necessary details of the above scheme are appended Annexure 7(1).

7.30 While we fully share the concern of government for personnel policy, we have not been able to appreciate the basic difference between these "specialist" pools and the Industrial Management Pool. Firstly, whoever may be the controlling authority, the encadrement of certain posts in an enterprise and the formation of pools will inevitably involve some compulsion. The members of a "supra-corporation" cadre will, also, develop ultra-enterprise loyalties. The fact of a larger representation of the public sector enterprises on the controlling board of these pools does not alter this basic position. As we have already recommended, the enterprises must be free to appoint their personnel subject to their following broad guidelines laid down by government. Under the new Pool scheme, this will, in effect, worsen the situation; we consider this a retrograde step.

7.31 We wish to examine here certain basic questions regarding the cadre scheme which has been suggested for the staffing of public sector enterprises by the Committee. The concept of a cadre implies the following:

- (i) an identifiable group of persons considered suitable for holding positions in one or more organisations at one or more levels;
- (ii) well-defined principles governing their right; preparation of gradation lists giving *inter se* seniority which is generally unchangeable; and
- (iii) a group of posts requiring more or less similar skills such that they can be filled equally well by anyone of the officers belonging to the cadre subject, however, to conditions about length of experience being satisfied.

Cadres thus divide the personnel of each enterprise (or a number of enterprises) into groups. Each group becomes conscious of its common interests; soon, promotion prospects, service conditions, etc., of various groups begin to be compared. Better prospects or quicker promotions in any group immediately lead to agitation by other groups for similar benefits. Under pressures arising out of inter-cadre rivalry, the general atmosphere of the enterprise gets vitiated on the one hand, and on the other, job requirements tend to get compromised for accommodating group interests. Even within these cadres, seniority begins to play a decisive role in matters of placement, training and promotion. A healthy personnel development and management policy in a public enterprise must have sufficient flexibility to enable management to spot promising persons in any branch and thereafter pay special attention to their optimum development; cadres will not provide such flexibility. Further,

the large variety of the fields of specialisation of technical (and even non-technical) personnel in public sector enterprises argues even more decisively against the creation of rigid cadres. The introduction of the concept of a cadre explicitly or implicitly, is thus not desirable so far as public sector is concerned.

7.32 The Committee has also discussed the question of persons who may not get selected to these pools. They have recommended that such non-pool officers should not be permanently barred from appointments to higher levels; they should be considered for posts not earmarked for pool officers. In actual practice, this system is likely to result in bickering between the pool and the non-pool components of the personnel in an enterprise. We have already seen that even well-designed and almost statutory arrangements fixing proportions between direct recruits and promotees, permanent personnel and deputationists, etc., have failed in varying degrees in a number of government departments, in organised service cadres and even in the Central Secretariat; it is the permanent element that always tends to gain an upper hand in such situations.

7.33 We have, therefore, come to the conclusion that the introduction of the revised pool scheme would not be a desirable step. As such, the scheme should not be forced on public enterprises.

7.34 A possible criticism of our recommendation may be that the problem of personnel of smaller enterprises will remain unsolved. We are of the view that the CAPSECS, the creation of which is elsewhere recommended, should make this problem its special concern and facilitate the movement of suitable personnel. The panel that it should be drawing up should prove useful for this purpose.

#### *Deputationists*

7.35 In para 7.19, we referred to the problems arising out of the appointment of government servants to some of the higher positions on deputation. By and large, similar considerations apply to posts at the middle management levels.

7.36 According to the information obtained from public undertakings about deputationists, the proportion of posts held by deputationists is appreciable at the middle and the higher levels. The table below shows the position in the main fields.

*Number of deputationists in 29 undertakings in posts carrying a starting salary of Rs. 700 and above (excluding IMP personnel)*

	Scientific & Technical	Financial & Accounting	Personnel & General Administ- rations	Others	Total
Total No. of posts	5058	204	400	309	5971
No. of deputationists	95	67	100	11 + 25 unclassified	298
% of deputationists to posts	1.8%	32.5%	25%	12%	5%

Thus, in finance, accounts, and personnel and general administration, the proportions are quite high.

7.37. It is generally conceded that, in the initial stages, there was no alternative open to government other than turning to its own employees as the primary source of personnel for the public enterprises. The continued reliance on government services, however, even after such a long time, has come under severe criticism. Extra-enterprise career-interests coupled with short periods of deputation in the enterprise are often unfavourable to the development of a sense of loyalty in the individual towards the organisation and to the engendering of a team spirit in the personnel working in the organisation. According to the Estimates Committee (Third Lok Sabha), "the officers are a little casual in their approach to work because, if they are not successful, they can always go back to their parent departments." Even so, the personnel needs of the growing public sector are so large that, at the middle management levels, it will be of advantage to draw upon the government sector. The system, however, must be carefully planned and cautiously operated. We recommend that as a rule, officers taken in at these levels should be encouraged to opt permanently for service in the enterprise. A period of two years may be given to both sides; this will enable the enterprise to assess the suitability of the officer on the basis of his performance and also allow the officer an opportunity of making a considered choice. In case both sides are satisfied, the officer should sever his connection with the parent Department. We feel that this would be a more reliable source of recruitment than the open market because, on the one hand, the enterprise will have the benefit of the experience the officer has gained in government service, and, on the other, it will have no difficulty in refusing permanent absorption if he does not come up to the required standards. The termination of service of an open market recruit who has proved unsuitable is not easy.

7.38. There may still be some exceptional positions where it may be of advantage to have officers on the usual deputation terms. For instance, the best source for getting a security officer is the state police cadres; similarly, for town management, local authorities in the State should be a suitable source. We recommend that in such cases the period of deputation should not be less than 4—5 years. We also recommend that ordinarily the period of deputation should not be extended. If the enterprise feels that it would be to its advantage to extend the period of deputation, it should seriously examine the possibility of permanent absorption. Such advantages or benefits as would have accrued to an officer in the parent department but for the deputation should be guaranteed to him to avoid abrupt break in deputation.

7.39. Financial positions in public sector enterprises stand on a somewhat different footing. Finance officers are at present appointed directly by government and it has been stated that this stands in the way of such officers identifying themselves with the enterprise. Their approach is said to be that of a third party being placed in an organisation to

perform certain watch-dog functions rather than that of a partner in a venture where the ultimate aim of each partner is the success of the enterprise and not formal compliance with rules and procedures. This attitude is further strengthened by the fact that, on the financial side, positions even down to the senior Class I scale are predominantly manned by deputationists and no effort appears to have been made to create permanent structures. We find the highest percentage of deputationists in the financial branches of public enterprises. In accordance with our general recommendation in respect of appointment to all positions below the board level, the appointment of the Financial Adviser should be made by the Board itself; prior approval of government may, however, be stipulated. All lower positions may be manned on a permanent basis and this staff may, in due course, prove to be a major source of personnel for the highest financial positions.

7.40. We would like at this stage to examine the possibility of public sector enterprises themselves building up and also helping the government in building up a sound personnel base for industrial administration. We have already suggested that suitable persons from public enterprises should be drawn in larger numbers to man the consideration levels in appropriate government departments. But, we also consider it necessary that government must have a pool of officers who have some industrial experience before they move on to higher positions of policy formulation in these fields. Additionally, organisations with consultancy and advisory functions in government cannot afford to build up permanent hierarchies in each of the numerous specialities requiring top experts and they will, therefore, have to depend on the vast potential source of experienced personnel in the public sector. We contemplate a multi-lateral flow amongst public enterprises, ministries/departments and consultancy/advisory organisations. Public enterprises, therefore, have to make adequate provision in their personnel structures for such needs of government as may arise from time to time. Moreover, public enterprises should also take selected government officials for periods of 3-5 years for the diversification of their experience. For example, an engineer chosen for his special flair for management should be sent to a public enterprise for working on a job suitable to his background but also involving managerial duties or an IAS officer in (about) the 10th year of his service can be given a managerial assignment in one of the undertakings for 3-5 years; thereafter, he may move back to one of the industrial ministries with his experience enriched. Further, the State Governments may start in a big way in the industrial field and are likely to require in large numbers personnel with experience in industrial administration. We, therefore, recommend that there should be a regular programme for a number of officers from different fields specially in State Governments being taken into public enterprises for a limited period with a view to giving them varied experience.

### *Personnel Planning*

7.41. Personnel planning is an important but poorly understood branch of personnel management. Its scope is vaguely interpreted;



while quantification and projection of manpower needs for the different phases of construction and operation of an enterprise at the project formulation stage are always considered an integral part, that exercise is sometimes considered as synonymous with personnel planning. The only other time when personnel planning is considered necessary is while planning expansion or diversification. Beyond this, personnel planning seems to signify nothing concrete to a number of undertakings whom we addressed. This is unfortunate; we considered that there are at least three distinct aspects of personnel planning; these are (a) personnel planning at the project formulation stage; (b) personnel planning for expansion and diversification; and (c) personnel planning for normal operational phase.

7-42. We have only one comment to make on personnel planning at the project formulation stage which, as we have already observed, is dealt with in considerable detail in most project reports; sometimes project reports tend to be unrealistic on the personnel side. This could have happened for many reasons: either the foreign consultants were unfamiliar with local conditions or they might have toned down the estimates to make the project look attractive, or might have merely played safe. We are sure that, with the development of local expertise in these matters, this defect will be remedied.

7-43. The main reason why personnel planning for expansion and diversification has not been successful is that the enterprises in the field concerned which have to undertake personnel planning are not closely enough associated with the authorities in government to decide on the extent of expansion or diversification necessary. Personnel requirements for most of the lower levels can be met within relatively short time but the lead time for the development of high level personnel is very long and could be as much as 10—15 years in some cases. It is not the right thing to do to look for these personnel when work in a factory is about to begin because of the real danger of personnel of indifferent quality being appointed in haste. We are happy to note that in the last few years, steps were taken in time to prevent such a situation developing. Thus, for the new steel plant at Bokaro, government directed the Hindustan Steel Ltd. to build up sufficient personnel reserves. Similarly, the Hindustan Machine Tools Ltd., have been taking care of personnel needs for expansion. We recommend, therefore, that the CAPSECS should assume a positive role in this area, work out probable personnel requirements in key areas and at key levels in the light of likely expansion programmes. Particular persons do not need to be earmarked as meant for the expansion phase; all that is intended is that, if trained personnel are available, the best among them will be chosen as and when needed. The service conditions relating to employees in public enterprises should provide for such transfers within the public sector. Our proposals should not be misunderstood as a recommendation that may lead to over-staffing. What is required is that personnel should be properly trained for specific fields of responsibility and kept in a state of readiness. It is on the various qualities that should be built up into the personnel that we lay emphasis.

7.44. Personnel planning for the normal operational phase in an enterprise is the most neglected area. There has to be a continuous process of identification of different skills and assessing present and future requirements. This assessment has to be qualitatively different from what is contemplated in an ordinary expansion programme. Over time, there is a slow and imperceptible change in personnel requirements in a developing enterprise. The organisation should evolve methods such that divergence between requirements and availability in terms of different skills does not become much too wide at any time. We recommend that this aspect of personnel planning should be attended to by each enterprise as part of a well-thought out personnel management policy.

7.45. The necessary base for scientific personnel appears to be missing at the moment. In the first instance, job requirements in industrial units should be ascertained in precise terms. This will require a detailed programme of job description, analysis and classification. Industrial engineering departments have been set up in some organisations for this purpose. In most cases, however, this is confined to non-executive positions. In the case of higher positions, rough and ready procedures prevalent in government are followed for determining job requirements. We consider that the definition of precise requirements of each position is very important; otherwise, personnel planning will continue to be tackled on a 'trial and error' basis. We recommend that:

- (i) a programme of detailed job description, specification and classification should be taken up by the undertakings. This may initially cover the non-executive positions but higher positions should also be brought within its ambit as soon as possible;
- (ii) each organisation should prepare an exhaustive list of such requirements and a manpower inventory in usable form. There should be a constant effort to ensure that there is no divergence between the two sides of this balance sheet.

7.46. We appreciate that implementation of the above recommendation has to be a long-term process but a beginning should be made immediately. Small cells for this purpose should be established in the Personnel Departments of public enterprises. We also recommend that the Central Association should provide expert assistance in this area, review annual progress and provide a forum for the exchange of experience.

7.47. Certain areas will continue to be important in planning for quite a few 'plans' to come and there is no reason why personnel planning in respect of these areas at least should not be successfully attempted. We have in mind areas like power, fertiliser, etc.

7.48. In due course, not only should training schemes considered necessary for personnel for particular positions be charted out in sufficient detail, but the variety of experience required for each such position should also be standardised as much as possible. We, therefore, recommend that the CAPSECS should address itself to this task.

### Recruitment

7.49. Techniques of recruitment in almost all public sector undertakings are more or less the same as in government and in Public Service Commissions. For recruitment to higher posts, the undertakings have to rely almost exclusively on selection by interview, as a competitive examination in each speciality for a small number of posts is either uneconomical or not feasible specially because vacancies are few and far between. Large organisations like the HSL, are, however, exceptions to this rule as their requirements are large and regular. The HSL hold a competitive examination for recruitment of non-engineering graduates following a pattern similar to that of the Union Public Service Commission.

7.50. For non-supervisory posts, the technique adopted may be just a written examination in English and General knowledge or a screening test covering certain subjects or only an interview. For recruitment to skilled categories, there may be a trade test. A few undertakings have also started aptitude tests and intelligence tests to supplement these traditional methods.

7.51. It is not possible for us to examine in detail the techniques employed in recruitment by public undertakings. We have, however, two general observations to make: *Firstly*, it appears from the replies that most of the undertakings are not aware of the possibility of greater sophistication being introduced in their recruitment techniques; we are surprised at this because not only has this been successfully done in foreign countries, but is being practised even in some of the middle sized enterprises of the private sector in India itself. *Secondly*, there is an important omission insofar as the various techniques used for recruitment are not subjected to evaluation in respect of their reliability and validity. For example, we have referred, in Part I of our Report, to the doubts raised about the validity and reliability of personality tests in the recruitment to higher services in government. If doubts can be raised about the interview system of an independent constitutional authority like the UPSC, we are not sure how far interviews conducted by Boards, following more or less the same system, constituted by public enterprises internally, can inspire greater confidence. We are not questioning the intentions of those who run these enterprises but it cannot be denied that there can be unintended and un contemplated biases. We are aware that these undertakings have to prove the correctness of each of their actions by the end-results. But no enterprise can wait for final results to determine the soundness of each of its numerous decisions in various fields; there have to be specific processes of evaluation. This strengthens our argument; the validity of a particular technique should be tested within a comparatively short span of time, with reference to the performance on the job of individuals so selected. There are, however, two important limitations: firstly, work on testing technique has been done mostly in Western countries where conditions are very different from those in India. The same tests will neither be valid nor reliable. Therefore, special steps will have to be taken in the initial stages to evolve appropriate tests and verify their reliability and validity

before using them on an operational scale; secondly, in fields where practically all of a particular manpower group in short supply has to be recruited, rough and ready techniques could be initially used. This is a passing phase, specially in the older enterprises and we consider that now is the right time for selection procedures as a whole to be reviewed. We, therefore, recommend that enterprises should ensure the maximum possible objectivity in selection procedures and continuously examine the validity and reliability of the techniques employed. We recommend that the CAPSECS should provide consultancy and research services in this area to the undertakings and help them in introducing modern techniques of selection.

### *Interview*

7.52. It appears that, for purposes of recruitment by interview *ad hoc* boards are constituted with representatives of the management and the concerned departments and one or two experts in the subject from within the enterprise or outside. Only a few undertakings associate psychiatrists with interviews; none appears to be following what is known as "method II" selection procedure in the United Kingdom or the 'extended interview' system used in recruitment to the Armed Forces in India and adopted by some enterprises in the private sector.

7.53. We consider that selection by interview will continue to be the most important method of selection specially for higher positions. Selection at the higher levels is 'easier' insofar as entire record of work and experience of an interviewee, and opinions recorded by his superiors from time to time are before the board and enable them to make an objective and reasonably good assessment of his merit. At the same time, however, the large variety of experience of candidates and impossibility of reducing them to a common denominator rules out the possibility of standardised recruitment techniques being used. At these levels, therefore, there is no substitute for the interviewers' power of judging men acquired through long experience. As we move to positions lower down in the hierarchy and reach the junior executive levels where fresh university men are recruited, the position is reversed. The interview boards have nothing more than the interviewee's academic performance and record of some extra-curricular activities. And the task before them is more difficult; the Board have not only to assess his suitability for an immediate job, but have to probe deep into his personality and assess his potentiality for superior jobs as well. The evaluation of desirable qualities by a person of long experience is no doubt useful, but these assessments sometimes tend to be impressionistic. We understand that considerable progress has been made in selection techniques which can be used with advantage. We recommend the progressive utilisation of these techniques in public undertakings.

### *Examinations*

7.54. In Part I of our report, we have referred to the possibility of replacing the present essay-type written examinations by aptitude and

proficiency tests for repetitive jobs like those of clerks, accountants, etc. The reliability of essay-type tests for most of these jobs is doubtful and in our view, sticking to these tests can be ascribed only to failure to properly appreciate the problem of selection and to unwillingness to go beyond what one is familiar with or, perhaps, what is easiest to follow. For most of these jobs, appropriate tests have been developed and the results obtained show that they are highly reliable. We recommend that undertakings should gradually change over to the new techniques for recruitment to junior technical and non-technical jobs where functions are repetitive and for which reliable tests are available.

7.55. For junior executive levels, however, we consider that written examinations (with suitable modifications) can be a useful aid to recruitment. We should, however, warn against a wholesale "transplantation" of the examination system of Public Service Commissions. The waiting period between application and appointment associated with the traditional examination system may put public enterprises at a considerable disadvantage in relation to the private sector which also explores the same market. If the examination is considered desirable for screening or assessing candidates, a simplified scheme must be devised. Moreover, in view of the somewhat lower remuneration level and the growing need for personnel in the public sector as a whole, we consider it necessary that recruitment schemes of public enterprises must also aim at widening the base of selection. We have considered this problem in the context of the public services in Part I, the observations made there are equally valid for public enterprises. Public enterprises should also make capital of the fact that their collective needs are sizable and a fair degree of evenness in annual recruitment can be achieved. They should form an internally non-competitive group seeking the best talent from a common employment market and a clash of interest should not really occur. We, therefore, recommend that public enterprises should:

- (i) co-ordinate their recruitment programmes at the junior executive levels; and
- (ii) adopt an aggressive recruitment policy by—
  - (a) strengthening the base of their recruitment;
  - (b) devising a recruitment scheme reducing the application—appointment interval to the minimum; and
  - (c) adopting reliable and valid testing techniques.

7.56. Another aspect of recruitment policy, at all levels, to which our attention has been drawn, is the desire of State Governments and other interests to limit the field of choice of personnel to the local population. With a view to furthering this objective, we are informed, State Governments have been persistent in demanding representation on selection boards. In some enterprises, they have been able to secure representation on these Boards, some undertakings have, however, been able to resist this demand. The desire of State Governments to secure employment for the local population may be understandable but

we do not at all like this unhealthy practice. We recommend that this practice be stopped and that Selection Boards be functional rather than be representative of interest groups.

7-57. Under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, employers are required to notify vacancies to Employment Exchanges before filling them up. Under the rules, a time limit for such notification has been prescribed; in cases where statutory requirement is to notify the vacancy to a local Employment Exchange, it is at least one week before the date of interview or the date on which the vacancy is intended to be filled and at least 3 weeks in cases that have to be reported to the Central Employment Exchange. Thus, the strict requirement of law is satisfied if candidates sponsored by the Employment Exchanges are considered along with others and if the Employment Exchange fails to sponsor before the due date, there is no bar to selection being made from other candidates. This is the actual practice prevalent in private establishments. In the case of public sector enterprises, however, there are executive instructions which make it obligatory for them to get a non-availability certificate from the appropriate Employment Exchange. Moreover, these instructions do not prescribe any time limit within which the Exchange must forward list of suitable names and enterprises have to wait indefinitely for obtaining this certificate. Delays occur specially in those cases where an Employment Exchange, on not finding suitable candidates on its own registers, decides to circulate vacancies to other Exchanges or refers them to the headquarters. Some enterprises, however, go ahead with the recruitment in case no information is received within a reasonable time; they usually wait for a month.

7-58. This state is not satisfactory specially because requirements of enterprises are urgent and delays may result in considerable loss. We, therefore, recommend that it should be made obligatory for Employment Exchanges to forward lists of suitable candidates or, in case they are required to refer the requisition to sister exchanges or the head office, an intimation to this effect, to the requisitioning authority within 15 days from the date of requisition; in the latter case, a further time of 15 days may be allowed. If enterprises do not receive suitable names within 15 days or a month, as the case may be, they should be free to recruit from the open market. We also recommend that during the annual review of the working of Employment Exchanges their performance in prompt disposal of requisitions should be especially examined.

7-59. Employment Exchanges will play a progressively important role as the economy develops and the public sector expands. It is, therefore, necessary that they be well equipped. The Directorate General of Employment and Training have evolved the 'National Classification of Occupations' following the occupational classification of the International Labour Organisation. Although the N.C.O. has the basic frame within which the changing requirements of our developing economy can be matched, we find that there are considerable gaps from

the point of view of its suitability for industrial enterprises. With the growing specialisation and more numerous institutionally produced skills, it would be necessary that the classification is constantly reviewed. To start with, industrial occupations should be classified in sufficient detail keeping in view the educational and skill requirements of industrial and other enterprises; the entire occupational spectrum should be so covered in due course. This is, no doubt, a long term process but is very basic to efficient handling of Employment Exchange functions. Once proper classification has been done, the problem of matching demand is reduced to the codification of requisitions and looking through those occupational classes for suitable candidates.

7.60. We also consider that the staff manning the Employment Exchanges should be better qualified and better trained. The Officer-in-charge of Employment Exchange should not only be able to intelligently examine particulars furnished but, in cases of doubt, interview a candidate and after satisfying himself, assign him to an appropriate occupational category. He should also act as a vocational guide and tell a registrant about the opportunities he can expect. Thus, we envisage that this officer should give a purposeful direction to the entire working of the Employment Exchange instead of reducing it to the mere mechanical function of registration and forwarding of names. We, therefore, recommend that the officers-in-charge of Employment Exchanges should be adequately qualified in psychology and vocational guidance. They should also be given intensive training in the various aspects of occupational classification.

### *Training*

7.61. Training programmes fall into two categories: institutional and on-the-job. Institutional training facilities in an undertaking have to be related to the availability of various skills in the market. To attempt even partial self-sufficiency in production of various skills would be far too expensive even for big industrial complexes. Skills requirements as well as external facilities should be continually assessed and internal arrangements should strictly be made for areas of deficiency only. This exercise should be done by the agency for the entire public sector. We recommend accordingly.

7.61A. The problems of training in Public Sector Undertakings can be discussed under the following broad categories:

- (a) training of skilled and semi-skilled personnel;
- (b) training of personnel in the supervisory and higher levels:
  - (i) top management personnel; and
  - (ii) middle and lower management personnel in different specialities.

### *Skilled Workmen*

7·62. So far as the training of skilled and semi-skilled personnel is concerned, it appears that most of the undertakings started with adequate facilities for different groups of skills. As the initial requirements were of a higher order, this resulted in excess capacity in some enterprises. Individual enterprises have been, however, trying to utilise his capacity by extending the facilities to other enterprises. Some enterprises have either closed down or transferred their institutions to government or other organisations. Excess capacity, however, still remains, attention to which was pointedly drawn by the Estimates Committee in their 52nd Report. We consider that the whole question of training of skilled workmen requires a more systematic approach. We recommend that the broad approach to training skilled workmen should be that viable enterprises should work out their own training programmes for these categories of persons; that smaller enterprises, as far as possible, should explore the possibility of linking their training programmes with some of the bigger enterprises; and that the CAPSECS co-ordinate training programmes. They should maintain upto date information of all training programmes available in various specialities in the country. They should assist the smaller enterprises in meeting their training requirements from institutions run by the bigger enterprises. In case no such arrangements are possible, they should plan regional or national institutes in those fields. We consider that these institutions should work on common service pattern managed and run by governing bodies comprising representatives of user enterprises.

### *Middle Management Personnel*

7·63. The training problems of supervisory personnel, in general, have received somewhat less attention. Reliance has been placed mostly on on-the-job training and work-experience. For specialised training, officers have been deputed to various institutions in India and abroad. Such an *ad hoc* approach may, in some fields, perhaps, continue as in certain areas of acute shortages and unpredictable demand, it may not be possible for the enterprises, severally or jointly, to build up training facilities.

7·64. At the entry level, on-the-job training will obviously be the most important part of the training of a fresh graduate; having gained broad knowledge of a subject in the university he has to be initiated to the special field of his career. But these graduates, besides manning substantive jobs, at the entry level also provide the base for high level personnel. Well-planned career development schemes and appropriate training programmes with a view to optimum development of each individual's potential, therefore, become necessary; exceptional talent has to be spotted and given special attention. We recommend that it should be one of the most important duties of supervisory officers to build up young officers, watch their aptitudes and provide necessary guidance. Refresher training courses should be so designed that their aptitudes for different specialities needed at higher levels



can be spotted. Such as show promise for managerial and other non-technical functions may be earmarked and given special attention. The Agency, in consultation with the universities and other institutions, should develop suitable training programmes. This training should, preferably, precede promotions so that promotions are based not only on the performance of an individual in the lower position, but also on the basis of an objective assessment of his potentialities and his performance during training.

7.64A. The establishment of training institutes for this category of personnel should follow the same pattern as for skilled workmen outlined earlier. We envisage that the CAPSECS will play a more important role because there will be fewer enterprises which can afford their own training institutes for middle management personnel. We recommend that bigger enterprises should specially keep in view the training requirements of smaller enterprises and should also build in adequate reserves in various cadres to meet the personnel requirements of smaller organisations. Here, again, we envisage a dynamic leadership role for the Central Association.

#### *Staff Appointments*

7.65. Training for specialised staff functions poses a special problem. Personnel for some of these can be developed within an enterprise but there are certain specialities for which they will have to depend on the open market. For example, in the present circumstances, a financial adviser or an economic adviser may have to be brought in at a sufficiently high level in an average enterprise as there is not a broad enough base in these specialities. A bigger unit may, however, have a sizeable finance department and may be able to 'produce' its own financial adviser. But it will have to depend on academic and other institutions for getting an economic adviser. There is, however, no finality; with greater integration of education in social sciences and that in engineering, it may be desirable or, even necessary, that an engineer-economist takes up this job and the industry itself may have to 'produce' as economic adviser. There is a real scarcity of personnel, who are not only well-versed in particular specialities but are also familiar with the problems of industry in general and those of a specific sector, in particular. Difficulties are being generally experienced in getting personnel of the following categories :

- (i) economists and statisticians including experts in market research and operations research;
- (ii) actuaries, chartered accountants, cost accountants and experts in management accounting;
- (iii) personnel managers and labour welfare officers;
- (iv) experts in materials management; and
- (v) industrial engineers, i.e., experts in work study and productivity.

7-66. We would recommend that: (i) special courses should be devised for fresh entrants keeping in view the requirements of individual industries supplementing their academic training in each of these specialities; (ii) refresher courses in each of these disciplines should be instituted with a view to familiarise those already working in the enterprises with the latest techniques in their respective fields; the emphasis should be to introduce them to new ideas which may help them to develop in those fields while doing their normal jobs rather than attempting an exhaustive tuition which begins and ends in a training course.

### *Higher Positions*

7-67. As one moves to the top positions, the job requirements undergo a qualitative change; it is qualities like sound judgment, administrative leadership, capacity for planning, co-ordination etc. which become crucial for success. Formalisation of training programmes, therefore, is extremely difficult; the development of these qualities would entail sustained and deliberate effort over a long period. Consequently, well-designed career development programmes for middle management personnel who will move into those positions become most desirable. We consider that diversified experience should be provided to those who show potentiality for going up. Deficiencies in their personalities with reference to requirements of higher posts should be pinpointed and correctives, by way of special assignments to professional institutions for training etc., should be applied. Special courses for middle management personnel should be worked out which give them a broader understanding of higher management problems. The aim of these courses in the main should be to bring together middle management functionaries in different disciplines so as to help in cross fertilisation of ideas and in the initiation of a process of thinking in each of the participants.

7-68. The difficulties in formulating training programmes for higher levels should be taken up as a challenge rather than as a plea for inaction. Aids to management at the higher levels are being developed in industrially advanced countries so that we consider that our top executives must be provided an opportunity to familiarise themselves with the new developments. The top manager has not to be an expert in these new techniques but general awareness on his part will give a new direction to the entire organisation. We, therefore, consider that appreciation courses and seminars covering management techniques like organisation planning, systems and procedures analysis, communication processes, span of authority and control, sociology of organisations, etc. should be arranged.

7-69. Several courses are offered by the Institute of Management at Ahmedabad and Calcutta and the Administrative Staff College, Hyderabad. Other agencies like the National and State Productivity Councils, Institute of Industrial Engineers and the Institute of Cost and Works Accountants have also been arranging training programmes, seminars and discussions. The Management Division of the Planning

Commission have also held a number of seminars or workshops. We will not go into the quality of courses, seminars and discussions so arranged, but we have a feeling that more purposive training programmes and seminars are necessary. Deeper thinking and planning has to precede the formulation of training courses. We would warn against proliferation of management institutes under the garb of providing training facilities. Existing educational institutions should be more actively associated with these training programmes. Although a large number of universities have not yet developed high traditions of research, there are a few which have earned renown in various fields and it should not be difficult for them to devise suitable programmes by pooling resources of their own departments and of other universities and institutions. The Central Association should co-ordinate the training programmes for higher executive, and should also be charged with the task of continuous evaluation of training programmes and ensuring high quality.

### *Career Development*

7.70. The object of a career development programme is to provide opportunities for the optimum development of each individual's capacity for useful work in an organisation. It should also include training programmes, both institutional and on-the-job, and promotion policy.

7.71. Although it is vaguely realised that career development is necessary, its precise implications are not well understood. Some undertakings frankly admit that no system of career planning as such exists. It appears that the problem of identification and listing of persons displaying potential to take on greater responsibility is not being really tackled and most of the undertakings either do not consider this a legitimate personnel function or feel that confidential reports by themselves are sufficient; suitable persons are considered for promotion and given positions of higher responsibility when the need arises. There are only a few exceptions where a conscious effort is made in this direction. It may take some time before starting career development programmes in undertakings which are still in the formative stage or in those that are undergoing fast expansion. But in older organisations a stage has been reached when regular programmes should be started. We recommend that each enterprise have sound career development programmes. For each position at the top and the middle levels, two or more individuals should be earmarked sufficiently in advance and their career watched, planned and developed. Special attention should be paid to the career development of exceptional talent.

### *Evaluation of Performance*

#### **(a) PERFORMANCE NORMS**

7.72. Specification of norms is basic to performance measurement. Our study shows that appreciation of this fact and practice in

this regard vary considerably in public enterprises. Some undertakings have worked out performance norms and standards for each position and have communicated them to the incumbents. Quite a few, however, have not considered it necessary to lay down precise performance standards as these are said to be known to the individuals in general terms. Some enterprises are satisfied by the mere preparation of an organisational chart spelling out the duties of each individual. There are, no doubt, difficulties in the quantification of norms, but it should not be difficult to do this for the large majority of posts involving repetitive functions. In the absence of objective norms, the performance of individuals is bound to be judged on the basis of impressions gathered by supervisors. Annual confidential report is also useful, but it should be based on objective and continuous evaluation of performance against given norms. A general awareness, that assessment is the end result of a continuous appraisal over a period, is conducive to better performance. Individual or group incentive schemes can be successful only if objective evaluation is guaranteed. We, therefore, recommend that performance norms should be prescribed for the repetitive jobs at least as early as possible. In case individual performance norms cannot be prescribed group performance norms should be worked out.

#### (b) CONFIDENTIAL REPORTS

7.73. Confidential report forms for various categories of employees have been devised by each undertaking. While some of them have attained to a very high level of sophistication, quite a few have not gone beyond mere adoption of governmental assessment forms. The perusal of some of the assessment forms shows that mechanical application of abstract principles may lead to amusing and unintended results. For example, while translating the principle of evaluation of each attribute on a four or five point scale, in some merit rating forms, we find that even damaging remarks like 'low moral standards', 'neglects machines and property' or a remark like 'unreliable in keeping secret' and 'immature' regarding trustworthiness qualifies for a substantial positive score. In the final assessment, these damaging remarks disappear in the totalling process and what one sees is the aggregate score to which some of the above remarks may have also contributed. No assessment form can be perfect, but it should not be made so mechanical as to leave no means of escape from the 'tyranny of numbers' in full view of certain undesirable traits. The Hindustan Steel Ltd. design meets this difficulty. Assessment of performance or of a personality trait is on a four-point scale—A, B, C and D. These scores are not converted into numbers and the total score consists of As, Bs, Cs and Ds, reflecting also its qualitative composition. In this form, however, relative weightages given to different contributing factors appear to be accidental rather than purposive; for example, by virtue of the adoption of the 'ABCD' pattern, this form gives equal weightage to personal qualities like honesty, leadership, initiative, punctuality while merit-rating forms of a number of other enterprises have assigned different maxima to these. Subject to a conscious decision regarding weightage

to different attributes in the assessment form, we consider that it can be adopted by other undertakings with suitable changes to meet their special needs. We may add that there can be no finality in the matter; a continuous process of evaluation of the suitability of assessment systems would be necessary. We recommend—

- (i) the HSL form may be adopted with suitable changes by Industrial Enterprises;
- (ii) the experience of different enterprises may be pooled through workshops of personnel officers under the aegis of the CAPSECS.

#### (c) WRITING OF REPORTS

7.74. There are elaborate instructions on how a report is to be written, but the real problem is the translation of intentions contained in these instructions into practice. A well designed assessment form will, no doubt, help an objective record of opinion, but too much reliance on the built-in correctives may lead to unintended results in an essentially imperfect human context. Report writing must steer clear of both extremes, namely, over-reliance on mere mechanics and too much weightage to impressionistic observations. We have dwelt on this problem in the first part of our Report and recommend that (i) the personnel department should ensure that report-writing gets the care it deserves from reporting officers; (ii) the overall gradations should follow certain norms throughout an enterprise; and (iii) the chief executive, assisted by a committee, should undertake moderation of reports annually to ensure uniform standards.

#### (d) MERIT AND SENIORITY

7.75. We find that promotion in non-supervisory staff is generally made on the basis of seniority with due consideration to merit. This is partly due to trade union pressures as trade unions generally support claims of seniority, the most 'objective' and indisputable criterion. Their antagonism to the merit principle is also explained by their membership comprising a representative cross-section of the group which, by definition, is 'average'. However, the strongest opposition to merit as such arises from the apprehension of favouritism under the guise of merit; if the really outstanding goes up, the common run of individuals may reconcile themselves to this 'fact of life'. Therefore, if a system can inspire confidence regarding its objectivity, its acceptability may not be difficult. Scientific job specification and fixing up of performance norms can provide such a base. Procedures can be laid down in consultation with trade unions allowing not merely the oldest but the most meritorious to move up. In one undertaking the practice is that those who get more than 80% in their assessment reports are preferred for promotion over all other eligibles; the system is working satisfactorily.

7.76. We recommend that criteria for promotion should be worked out in each enterprise for every level based on an appropriate combination of merit and seniority. The higher the levels, lesser should be

the role of seniority. At levels where a qualitative change in job requirements occurs, as from operative to supervisory levels, work-performance and the individual's potentiality to develop for the higher jobs should be the sole criteria of promotion.

7.77. In higher services, promotions are generally made on merit with due regard to seniority. We are, however, not sure whether the full rigours of a merit system have yet come into play. We note that in certain undertakings, the weight of seniority is being felt even in these cadres. It is not wholly unjustified; one out of turn promotion is likely to result in dissatisfaction in a large group of individuals superseded thereby. An undertaking has, therefore, to weigh carefully the advantages from incentive to some and disincentive to others from such a scheme. In one undertaking, every sixth vacancy is filled entirely on merit. In some undertakings, to counter the difficulties arising from out of turn promotion, efforts are being made to lengthen the scales of pay. We appreciate these efforts to meet a difficult situation, but such steps are likely to merely postpone the issue. The merit principle has to be accepted; it has, however, to be accompanied by a good assessment system. If this is not done early enough, seniority may become, by default, in the first instance and, by convention, in due course, the only ground for promotion, though on paper merit may continue to be the sole criterion. Because of higher mobility and more homogeneous skill markets in a number of skills required by public enterprises, they are in a better position than government to enforce merit promotion; dissatisfaction arising from out-of-turn promotions loses its edge if opportunities are available for moving out. A minimum amount of turn-over of personnel is inevitable and this possibility should not be treated as a permanent obstacle to every progressive step in personnel management. The problem is also complicated by other factors like high pay differentials between the public sector and the private sector. But the other side of the picture is that too much reliance on seniority is likely to lead to the flight of the talented—which is still worse. We, therefore, recommend that the promotions at higher levels should be entirely on merit, length of experience being considered as an integral part of merit itself. It is legitimate to treat promotion not only as a reward of one's merit but also a reward for one's services to the enterprise. We, therefore, recommend that a minimum period of service should be prescribed in each grade for being eligible for promotion to the next higher position; no uniform formula can be prescribed for promotion to all grades, it may vary from three to five years or seven years depending on the quantum of difference between the two consecutive grades.

### *Incentive Schemes*

7.78. Most of the industrial and commercial undertakings have reported that they have introduced incentive schemes of some description or the other. The principles are too well-known in industry to be enunciated in our Report. We note with appreciation that in

some of the undertakings incentive schemes are fully in force at all levels. We would like to specially mention the scheme of selecting the best workers annually in an enterprise who are given cash awards and whose achievements are widely publicised. Such a scheme should be more widely adopted as the benefits from even a small expenditure are likely to be considerable. Some enterprises have adopted the scheme of awarding advance increments for better performance for salaried employees. Some others have introduced attendance bonus schemes and suggestions awards. We recommend their adoption in other undertakings.

7.79. In some cases, it appears that bonus type incentive schemes have been introduced under which every employee gets some benefits depending on his salary and attendance, on the one hand, and on production and profit earned by the enterprise, on the other. This is a sort of group incentive scheme where all employees constitute the group. Such awards, however, are too far removed from the results of an individual's daily work to provide a constant reminder towards better performance. Such a scheme, therefore, has to be supplemented by individual and/or group incentive schemes in the enterprise.

7.80. We find that there are quite a few undertakings which have either not evolved any incentive scheme or which consider that no such schemes are possible in their working. If the latter is a careful decision taken after giving full consideration to all factors, we have nothing to say. We, however, feel that, in most of the industrial and commercial undertakings, some incentive scheme or the other is always possible. Even in research organisations where measurement of the end product is very difficult, we understand, incentive schemes have been put into operation with advantage. We, therefore, recommend that each organisation should carefully consider all its individual departments and adopt suitable incentive schemes on an individual, group or organisational basis.

7.81. Some of the undertakings have cited promotion as one of the main incentives for better performance. We do not dispute this statement and agree that promotion is very or, rather, the most, important incentive. However, one of the most serious limitations of this incentive is that it cannot be given too often and the number of persons who can get the benefit from this does not depend on the quality of their performance but on a very uncertain factor, namely, the number of vacancies arising in higher positions. One of the biggest drawbacks in relying too much on this method is that pressures begin to work and positions are created just to satisfy the aspirations of those working below. Reliance, therefore, should be placed on other incentives—monetary for lower staff and non-monetary for the higher staff.

7.82. One important non-material incentive for supervisory staff, namely, public recognition of good performance, has not been mentioned by any undertaking. Its importance, no doubt, must be

generally recognised but its potentiality does not appear to have been systematically exploited. We recommended that special or difficult assignments should be given to selected individuals and their satisfactory performance should be specially recognised.

### *Departmental Proceedings*

7.83. All public undertakings have reported that they have framed rules for departmental proceedings. These proceedings are generally on the lines of disciplinary rules prevalent in government. Workers are governed by labour laws and action cannot ordinarily be taken without following certain procedures prescribed therein. In the case of managerial and higher supervisory personnel, a provision for termination of services after three months' notice on either side exists in the conditions of service of many undertakings. We understand that, in serious cases, these provisions are used and services of employees terminated; we are, however, doubtful whether these provisions are being often enough used for weeding out inefficient and unsuitable employees. We recommend that these provisions should be utilised with greater effectiveness.

7.84. Disciplinary proceedings are said to be time-consuming and, generally, not very suitable for industrial undertakings. Therefore, either the extreme action of terminating services is taken or defaulting employees are just tolerated; cases in which departmental proceedings resulted in minor or major punishments are very few. There appears to be an atmosphere of too much security and there is no built-in system which may penalise substandard performance as a matter of course. While industrial undertakings should provide adequate incentives for employees who are efficient, we consider that there should also be provisions for the quick punishment of those who are not up to the mark and for weeding out those who are unsuitable. We recommend that disciplinary procedures should be simplified and other automatic checks like stoppage of annual increments should be built-in to deal with cases of unsatisfactory performance without elaborate departmental proceedings.

## **PAY**

### *(i) Structure*

7.85. The pay structures for workmen, managerial, administrative and higher supervisory categories of employees are governed by different considerations. The wages of workmen are getting governed, more and more, by recommendations of Wage Boards, Awards of Tribunals or agreements on the basis of the concept of fair wage, the capacity of industry to pay and prevalent rates in the region. So far as the supervisor and higher positions are concerned, the undertakings have generally adopted the salary structures prevalent in government. In Part I, we have already examined salary structures in government and the observations made there are applicable generally. In relation



to public enterprises, we should particularly like to deal with the usefulness of long scales. We note in the first instance that industrial undertakings work in a context different from traditional government administration. The skill market being homogeneous in many fields, there is considerable turn-over and greater interchange between the private industry and the public enterprises on the one hand and amongst public enterprises themselves on the other. In this context, perhaps, longer pay scales for supervisory staff may not serve the same useful purpose as they may be serving in government. For example, although there may be a scale of Rs. 400-950 for a junior engineer, in effect an individual serves in that scale only for about 4 or 5 years and thereafter feels dissatisfied if he does not move on to the next higher scale of Rs. 700-1250. Similar will be the case at this level and the incumbents would expect an early move to the next higher scale of, say, Rs. 1300-1600. Thus, although the enterprise has a long scale, at each level, the effective part is only the lower third of the scale where an incumbent actually works for a short period. This structure also results in a somewhat rigid recruitment policy; for example, an individual with some experience may not like to join the junior scale while he may not be sufficiently qualified for the higher one. The enterprise, therefore, either goes without him or has to overpay him, while some points in the salary range remain unutilised.

7·86. This structure also adversely affects promotion chances; there are fewer levels in the hierarchy than would have been the case if the scales were smaller. No hierarchical structure can provide quick promotions if the number of levels is limited. The present structure, therefore, will result in pressures as soon as expansion stops. It may lead to further lengthening of scales, creation of higher positions just to provide promotion opportunities or a higher turn-over; none of these alternatives is desirable. The salary structure, therefore, should be so designed that outstanding persons have the satisfaction of moving some steps up in due course. We recommend that the salary structure for high positions should be redesigned to satisfy the above requirements.

7·87. No uniform pattern can be applied to the entire industrial field; even in the same enterprise, positions in a unit having fewer levels may require longer scales than in others. For example, a Design Cell may have fewer levels than a steel mill necessitating longer scales to attract good engineers at the lower level. These factors, therefore, should be kept in view while evolving a new structure.

7·88. Finally, it may be argued that even more numerous scales may not avert stagnation should the rate of expansion fall below a certain level in an industry; smaller scales will, in such a situation, prove unattractive. But we consider that of the two designs, the one having more steps would be more useful in the present phase of our economy when we are planning for fast industrial expansion. As and when a situation arises warranting a change in this policy, appropriate measures may be taken.

(ii) *Quantum of Pay*

7·89. The question of pay can be examined with reference to workers, middle level personnel and top executives. So far as the first category is concerned, the wages are governed by wage board decisions, awards, etc. Other benefits like housing, medical facilities etc., in the public sector are quite liberal; it is, sometimes, said that too much is being spent on amenities. If what is so spent is received back in the form of higher efficiency and greater productivity, we would consider the expenditure worthwhile.

7·90. In the executive grades at the junior and middle levels the pay scales are similar to those in government and for similarly qualified people, more or less, similar starting salaries are given. In the public sector enterprises, however, because of the faster expansion there are quicker advancements. Still, emoluments at these levels are somewhat lower than in the private sector. Some of the leading figures of the public sector, who have also been in the private sector, have told us that the quality of personnel on comparable salary levels is much higher in the public sector than in the private sector. The difference in emoluments is greater in the case of the smaller private firms whose only attractiveness is a higher salary. The differences are much smaller if enterprises of comparable size in the two sectors are taken.

7·91. The relativity of emoluments is going to be a serious problem for quite some time and there appears to be no easy solution. We are told that good material continues to be attracted to the public sector because of better security, the public sector's appeal to the young mind by giving a sense of participation in nation building activity, the satisfaction of serving a national enterprise rather than an individual and also the feeling that the future lies with the public sector. These considerations will carry sufficient weight in our socio-economic situation for quite some time, but a careful watch should be kept on slow but cumulative change in the quality of personnel owing to pay differentials and other reasons. No systematic studies have been undertaken so far except in a few cases; we will revert to this question shortly.

7·92. It is not possible to have complete comparability of remuneration between the private sector and the public sector. It is not even desirable to attempt it as it would lead to a chain reaction and give a further push to the level of remuneration in the private sector leaving the final differential unchanged. Also, the public sector cannot afford to be as flexible in its pay policy as the private sector because within the public sector any upward revision in one section is likely to create demands for similar rises in other sections. The very size of employment in the public sector points to the oddity of a situation where emoluments of a very large number of employees get raised because some enterprises, operating in non-comparable fields, can pay more to a few persons. The prohibitive cost of any such step has also to be taken into account. Any general rise in the emoluments

at the middle levels will push the emoluments at the higher levels and will, at the same time, be the starting point for a demand for higher pay at the lower levels, a demand difficult to resist irrespective of the remuneration level in comparable positions in the private sector in the context of the public policy of narrowing the difference between the highest and the lowest in the nation. We, therefore, consider that even general comparability of emoluments at middle levels between the private and the public sector may have to be ruled out. We, however, recommend that a certain amount of flexibility in pay policies at the middle levels is desirable; suitable changes should, however, be made on the firm base of facts and figures, studies conducted and a conscious decision taken in full view of all relevant factors specially the overall national pay policy.

7.93. The divergence between emoluments of the top executives in the public sector and in the private sector is much wider. However, with the present taxation structure, the differences are not as wide as they would appear to be from the gross figures. We may state in clear terms that the public sector cannot afford to compete with the private sector in this area and we do not commend competition for higher emoluments at the highest levels. It is likely to result in a vicious circle where each sector may try to outdo the other and ultimately, the common man foots the bill for both. We may refer here to our earlier recommendations in para 4.63 about a national pay policy.

7.94. In the end we may add that there should be no rigid linking of highest pay in the public sector enterprise with those in government though some comparability would be desirable. This principle is implicit in the present pay policy of government; the pay of the highest civil servants can be Rs. 3,500 p.m. only while that of a Chief Executive in a public enterprise is Rs. 4,000 p.m.

### (iii) *Pay Research*

7.95. The importance of systematic work on pay structures and emoluments is quite clear, but we find that only the Hindustan Steel Ltd. have established a Pay Research Unit; other organisations have been tackling the problem on an *ad hoc* basis. We have already dealt this problem in Part I and recommended that a Pay Research Unit within the Central Personnel Agency should be set up. Any collection of data and analysis of the problem either in the public sector enterprises or in government has to cover a very large common ground. We recommend that the same Pay Research Unit should also conduct studies in pay problems of public sector enterprises. Small Research Cells in individual enterprises would, however, be useful as they can study special problems in relation to that particular industry making use, however, of the wider and deeper studies and analyses conducted by the Pay Research Unit of the Central Personnel Agency.

### *Flight of Technical Personnel*

7.96. The problem of flight of technical personnel has been engaging public attention for quite some time. A study in the problem

conducted in 1962 by an officer of the Indian Institute of Public Administration indicated that the extent of migration of personnel had not reached an overall magnitude in the public sector as a whole such as to justify the use of the term 'flight'. It appeared that in some undertakings unplanned movements had taken place on an appreciable scale. The main causes for this movement were identified as under :—

- (i) the general imbalance between demand and supply in the case of qualified engineers particularly those with some years' operational experience or certain kinds of specialised experience;
- (ii) lack of security in service particularly amongst construction engineers;
- (iii) differentials in the pay scales offered by undertakings within the public sector itself;
- (iv) inadequate opportunities for advancement and giving of greater weight to seniority in promotion in the public sector as compared to the private sector;
- (v) lack of personnel development programmes and recruitment of a large number of engineers of the same age group in new enterprises; clogging the avenues of promotion; and
- (vi) reasons of morale arising out of dissatisfaction with certain features of organisation and procedures and the public image of these enterprises.

7.97. In their 52nd Report, the Estimates Committee (Third Lok Sabha) observed that as many as 4,857 technicians/managerial personnel had left the public undertakings during the three years preceding 1963-64. The information supplied to us by the public undertakings shows that migration of technical personnel is not much of a problem in most of these public undertakings. In 33 undertakings, 2,800 technical personnel of first supervisory level and above, left during the three years ending December, 1966. In overall terms, these figures are not very high, as a certain amount of turnover is bound to develop as homogeneous skill markets grow. Our study also reveals that the problem is almost insignificant insofar as non-technical personnel are concerned. Amongst the public sector enterprises only the Hindustan Steel Ltd. have conducted a systematic study of the flight. During the years 1963 and 1964 of the technical personnel, who were either graduates in engineering or had higher qualifications, 317 engineers or only about 6 per cent left the organisation. During this period, only 18 officers joined the Hindustan Steel Ltd. on transfer/resignation from other public undertakings.

7.98. According to our information, the problem has become sizeable in the Heavy Electricals, Bhopal, and to a lesser extent in the Neyveli Lignite Corporation, the Indian Oil Corporation, the Hindustan Machine Tools and a few others. In Heavy Electricals, Bhopal, there is a steady increase in the number of personnel leaving; the number of

engineers who left during the last three years was 14, 27 and 33; in all 531 technical personnel left during that period and in most cases for better prospects. The management feels that often personnel who have been trained in their consultancy works in UK at considerable expenditure are lured away by private sector enterprises by the offer of fabulous salaries and it was not uncommon that such employees were even prepared to jump their five-year bond and pay a sum of Rs. 25,000.00 as penalty. Neyveli Lignite feels that the flight of technical personnel in the engineering cadre has been more at the junior officers level mainly due to promotion prospects elsewhere. Their analysis shows that even moderate outside attractions are able to lure away the officers because of comparative stagnation in the corporation. Similarly, the Indian Rare Earths feels that persons with technical qualifications are ready to accept initially a lower position for gaining experience and getting trained on the job. Having acquired experience, they look for better jobs elsewhere. Lack of quick promotion opportunities appears to be the only reason for the flight of technical personnel in this organisation.

7.99. Some amount of turn over of personnel is inevitable. There are two aspects of this problem: movement within the public sector and movement from the public sector to the private sector. So long as the loss of one public sector enterprise is the gain of another, the public sector as a whole is not a loser. But we consider that this movement should be better planned. Sometimes the best person in an enterprise is not released; it is only the second or even the third best who gets released and joins a sister enterprise in a higher grade. The desire of every enterprise to retain their best is understandable, but it also leads to dissatisfaction. Also, in the context of the entire public sector as one entity, it means below optimum use of personnel. We therefore, recommend that a new public sector enterprise should plan its recruitment in consultation with the heads of other public enterprises. The older enterprises should have a liberal policy of releasing personnel where it means promotion. The CAPSECS Agency should plan and co-ordinate this movement within the public sector.

7.100. The vertical movement within the public sector has also been a result of competitive bidding for some scarce skills. In some cases, this has led to lowering of job specifications or overvaluation of certain positions. To some extent this may be unavoidable but it must be kept within narrow limits. Our earlier suggestions regarding job evaluation and fixing of pay scales on a scientific basis will, to some extent, help in enforcing these limits.

7.101. Regarding movement from the public sector we consider that progressive personnel development programmes and merit promotions based on dependable assessment systems inspiring confidence in those being assessed, play a decisive role. In the public sector if the seniority rule is over-emphasised and the best talent is not given an opportunity to rise quickly, not only will it lose the experienced men but also the better ones who by virtue of their higher qualities will be most welcome outside.

The other important fact is the pay differential. In the absence of corrective measures, this will, in effect, mean that the public enterprises will be saddled with the responsibility of training technical personnel for the entire national economy. These enterprises will continue to invest in the freshers only to lose them to the private sector when they become really useful. If the level of remuneration were comparable or even just marginally higher in the private sector, other intangibles would be sufficient to compensate for the differential. The differential, however, appears to be much too high. The principle that industrial and commercial enterprises, whether in the private or public sector, must compete in a free market for personnel cannot be disputed. But the emoluments in the public enterprises have necessarily to be within the broad national policy and cannot be quickly adjusted without setting a chain reaction throughout the public sector. In this context if the emoluments in the private sector remain unregulated, the public sector is likely to be at a disadvantage indefinitely and continue to be a fodder to the private sector of quality personnel. We consider that a national pay policy is necessary as already recommended by us in Part I.

### *Personnel Departments*

7.102. A properly staffed and suitably located Personnel Department is required for the satisfactory performance of various personnel functions considered by us in this chapter.

#### *(i) Functions*

7.103. An examination of the personnel departments in various enterprises gives an impression that ideas about the important constituents of personnel management differ considerably. Recruitment and promotion do find a place in the functions of a personnel department but, beyond these, to many undertakings, personnel management means nothing more than normal establishment work done in the administration section of a ministry. We are surprised at the omission of training in many cases. Some others regard personnel management as synonymous with labour welfare or industrial relations. Labour welfare and industrial relations are no doubt very important but we would like to emphasise that they form only a part of personnel management functions. Concern for these should not result in some other important and basic functions going by default. We, therefore, recommend that the functions of personnel departments of these enterprises should be carefully laid down and we suggest the pattern recommended by us in para 5.18.

#### *(ii) Personnel*

7.104. Personnel departments have a substantial number of deputationists from government. The rank, qualifications and experience of personnel officers depend on the functions envisaged for this unit in the undertaking. Units having broad based functions are headed by officers of the rank of Joint Secretary to the Government of India while units considering personnel management as a sort of routine establishment work are headed by officers drawn from the lower ranks in the

Central Secretariat. Some of the officers have received special training while, in most of the cases, their previous experience in the government is considered adequate. Those employed by the enterprises directly from the open market tend to be more from the labour welfare and industrial relations side than from the personnel management side proper. Personnel management as a speciality has yet to develop in India and, for quite some time, mere institutional training would be a poor substitute to the varied experience in government and public sector. We, however, feel that a time has come when the experience of officers employed in this field should be supplemented by long enough courses such as would give them a thorough grounding in the latest developments in the field of personnel management. Experienced officers from public enterprises or government, showing aptitude for personnel work, should be exposed to new ideas by putting them through special training courses or seminars. Only those who successfully complete these courses should be appointed to personnel management units. Our recommendations in para 5.25 equally apply to the public sector enterprises.

### (iii) *Location*

7.105 The location of personnel departments also varies from undertaking to undertaking. In those cases where its proper functions have been appreciated as in the HSL or the HAL, the Chief of the Personnel Division works directly under the Chairman. In others, where it is just a part of the establishment work, the location is rather low. There are numerous hierarchical levels between the operative unit and the Chief of the undertaking who, in these cases, is ultimately responsible for all personnel matters. The reason for this is that the importance of personnel functions is not sufficiently realised. We recommend that a sufficiently senior officer should head this unit and that in all undertakings, of whatsoever size, the personnel unit should be placed directly under the Chief Executive.

### *Reorganisation of Personnel Units*

7.106 We would, however, like to warn at this stage against a hasty implementation of these suggestions. We refer to our recommendations in para 5.17 which should be followed in public sector enterprises as well.

### *Central Services Commission*

7.107 The question of setting up of a Central Services Commission for recruitment to the public sector enterprises has been discussed for a very long time. The Estimates Committee of Parliament have made recommendations for the setting up of such a Commission from time to time and, in their 38th Report, they reiterated their recommendation as follows :

“The Committee consider that the problem is one of reconciling the requirements of public responsibility and regularity on the one hand and adequate business and commercial freedom to

the greatest possible extent on the other. They feel that the solution lay in establishing a Personnel Commission similar to the UPSC for public enterprises staffed by people with business experience who understand the personnel needs of the public sector. The functions of such a Commission should *inter alia* be to examine and approve the terms and conditions of service, recruitment, promotion and other personnel policies devised by various public undertakings and prescribe model rules."

In their 53rd Report, they again expressed that such a centralised recruitment for higher posts would enable uniform standards of selection, eliminate competitive bidding for scarce personnel and ensure fairness, besides saving the time and expenditure of all public sector undertakings. They also suggested the alternative of setting up of such commissions on a regional or industry basis.

7.108 Most of the undertakings whom we addressed do not favour the setting up of a Central Service Commission. Some of the smaller undertakings, however, favoured such an arrangement and they consider that this will solve, to some extent, some of their personnel problems.

7.109 We have considered this question and we recall the distinction, we have earlier made, between 'non-profit' and 'profit-making' quasi-government organisations. The most important special features of 'profit making' organisations, we noted were: (i) an automatic review of performance of their personnel is annually made through the balance-sheet and (ii) government came into picture as a provider of equity capital just like an ordinary shareholder in other joint stock companies. Our further discussion of various personnel enterprises in the preceding paragraphs shows that these undertakings require a far more flexible policy to tackle even ordinary day-to-day problems; emergent situations do arise frequently demanding immediate solutions. We have also felt the necessity of the Management Board having *full* control of the affairs of the company or corporation and being held *squarely* responsible for performance—most stringent performance standards being required but maximum freedom of action being ensured. In the context of these principles, we consider that the establishment of a Central Service Commission or a regional or industry-wise Service Commission as has been suggested would be completely out of place.

7.110 If, however, we examine closely the basic concept of a Central Services Commission, we find that there are two aspects; *Firstly*, such a body is a service agency which provides certain common facilities, in the process gains experience and develops expertise and thus, in its turn, provides leadership to the sector that it serves. This aspect does not admit of any compulsions, if the body is able to perform the service functions satisfactorily, the benefit of its services must be sought voluntarily. *Secondly*, a Central agency is a symbol of authority. It is supposed to guard against misuse of authority. It is also to act as protector of services



against indiscriminate executive action. This, in any case, is the concept that has developed in India from early twenties when the setting up of Public Service Commissions was first considered.

7.111 We find that opposition to the idea of a Central Services Commission arises mainly from the authority and consequent compulsions which are associated with it. A partly unchanging traditional approach to many problems and lapses in 'service agency' functions in the Public Service Commissions is also responsible for the adverse reaction to this suggestion.

7.112 It is also feared that a small concession in the full autonomy principle may lead to an unending process of intervention. These fears cannot be said to be entirely unjustified. However, we do not consider that these are essential characteristics of a Central Services Agency. To guard against some of these, the idea of a Central Services Commission as envisaged by the Estimates Committee has not been supported by us. However, we consider that the industrial and commercial enterprises in the public sector should have a purely service agency for the satisfactory performance of the various functions suggested by us in the preceding paragraphs of this chapter.

7.113 We, therefore, recommend that

- (i) a service agency 'Central Association of Public Enterprises for Common Services' should be created;
- (ii) this Service agency should be financed and managed by the Public Enterprises on a cooperative basis;
- (iii) the Governing Board of this agency should comprise three representatives of the public sector enterprises, Chief of the Central Personnel Agency and the secretary incharge of the Bureau of Public Enterprises;
- (iv) this agency should have the following functions:
  - (a) provide expert advice on all personnel matters to industrial and commercial enterprises;
  - (b) provide necessary service to smaller enterprises which by themselves may not be able to do justice to some of the essential personnel functions like recruitment to higher positions;
  - (c) undertake recruitment to junior executive levels of such enterprises as may like to entrust this job by instituting common competitive examinations in various fields;
  - (d) develop testing techniques for purely technical professions and help undertakings in adopting them in their recruitment procedures; and
  - (e) conduct research in personnel problems of common interest to the enterprises.

7.114 In the end we would like to reiterate our view that this body must be a service agency; it must justify its existence by the clientele which it is able to develop by virtue of the quality of service rendered. There should be no compulsion in any form, whatsoever, for using its service. We also recommend that this agency should be started as a small unit which may expand as its area of operation increases.



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## CHAPTER VIII

### METHOD OF OUR WORK

8.1 The Study Team on Personnel Planning, Staffing of Public Sector Undertakings and Personnel Management was set up by the Administrative Reforms Commission on June 23, 1966. The Study Team consisted of the following:

Shri R. K. Patil	.	.	.	Chairman
Dr. K. S. Basu	.	.	.	Member
Shri M. K. Mathulla	.	.	.	Member
Shri K. R. K. Menon	.	.	.	Member
Shri M. S. Rao	.	.	.	Member
Dr. B. D. Sharma	.	.	.	Secretary

Shri G. Jagathpathi was subsequently appointed a Member of the Team on 10th August, 1966.

8.2 We were asked, in respect of the subjects allotted to us, to ascertain facts, locate the principal problem areas and examine solutions for the problems and suggest such of them as we would recommend for the Commission's consideration. The entire field of personnel administration was entrusted to three Study Teams including ours. The other two Study Teams are those on (i) Recruitment, UPSC/PSCs and Training and (ii) Promotion Policies, Conduct Rules, Discipline and Morale. Our terms of reference included personnel planning, staffing of public sector enterprises and personnel management. As 'personnel management' is co-terminus with personnel administration itself, its precise definition has been somewhat difficult. We have, therefore, taken as our area of investigation the entire field of personnel administration excluding the specific areas detailed for the other two teams. Shri H.V. Kamath, Member, ARC, met the three Chairmen of Study Teams on Personnel Administration on two occasions when common areas of our study and the general approach to the subject were discussed. The Chairman and Members of the Commission also met our Chairman, Shri R. K. Patil, and held discussions and reviewed the progress of our work. We are grateful to them for the interest they have taken in our work and the guidance that we have received from them.

8.3 After defining the scope of our study, we met to consider the individual issues before us. Background data, where necessary, were collected and some studies were also conducted by our staff. We also issued a few questionnaires eliciting opinions and information from individuals and organisations.

8.4 We invited a number of prominent persons associated with the field of personnel administration for discussions at our meetings held at Delhi and other places. We visited Maharashtra and Bihar. At the State capitals, we met political leaders and State Government officers. We also went to District Thana in Maharashtra and met local officers

and the members of the Zila Parishad. In Bihar, we visited Ranchi, the headquarters of a big complex of public sector undertakings, went round Heavy Engineering Corporation and met the management personnel of Hindustan Steel Ltd., Heavy Engineering Corporation and National Coal Development Corporation.

8.5 We would have very much liked to meet more people at all levels and visit more States and undertakings which, however, was not possible because of lack of time.

8.6 We have received memoranda from one hundred and twenty five individuals, organisations and service associations. With a view to avoiding duplication of effort, we have made use of the basic material collected, studies conducted and replies to questionnaires issued by the Commission and other Study Teams, particularly, the Study Team on Public Sector Undertakings.

8.7 We wish to express our thanks to the various Ministries and the public sector undertakings for placing before us the material and information which we wanted in connection with the examination of the subject. We are grateful to the officers of the Government of India, State Governments and public sector undertakings for sharing their experience with us. We also take the opportunity to express our thanks to the various Service Associations and Unions and to the members of the public who favoured us with many invaluable suggestions. We are thankful to Sarvashri S. K. Dhawan and J. Satyanarayan, Senior Investigators, Directorate of Manpower, Ministry of Home Affairs, for analysis and interpretation of data given by us.

8.8 Our research staff consists of Shri T. R. Viswanathan, Senior Analyst and Shri C. B. Lal, Senior Analyst. They both worked assiduously in preparing background material, collecting, analysing and tabulating data received; they undertook cheerfully all other work which was entrusted to them. We would also place on record our appreciation of the hard work put in by the secretariat staff comprising Sarvashri Nirmal Singh, R. C. Madaan, V. S. Srinivasan and Satya Pal.

Sd/- R. K. PATIL  
*Chairman*

Sd/- Dr. K. S. BASU  
*Member*

Sd/- G. JAGATHPATHI  
*Member*

Sd/- M. K. MATHULLA  
*Member*

Sd/- K. R. K. MENON  
*Member*

Sd/- M. S. RAO  
*Member*

Sd/- Dr. B. D. SHARMA  
*Secretary*

NEW DELHI  
August 16, 1967.

## SUMMARY OF RECOMMENDATIONS

### *Chapter II—Growth of Personnel*

1. The availability of suitable personnel should be considered the most important determining factor for any new policy or programme and the availability of personnel should not be taken for granted. (2.10)

2. It is extremely difficult to dissolve a unit once it comes into existence; it is their birth that should be prevented in the interests of economy and enlightened administration. (2.29)

3. Before a new scheme or the creation of a new agency or the expansion or extension of an existing agency is agreed to, the following considerations should be borne in mind and rigidly applied:

- (i) If the proposal relates to field functions, government should ensure that the alternative of entrusting the functions to the concerned departments in State Governments and Union Territories is either undesirable or impracticable. The view of the State Governments on such proposals may also be obtained;
- (ii) There should be a clear determination that neither in any other department of government nor in any organisation financed by the Government are similar functions currently being performed;
- (iii) That the special interests of a department cannot be effectively served by an existing organisation dealing with the total problem should not be considered adequate justification;
- (iv) Differences in scope or coverage should also not be taken as a sufficient ground for a new agency;
- (v) When new functions result from the centralisation of certain powers in a department, the alternative of delegating those powers to lower levels should be explored; and
- (vi) "Nuclear" starts should not be agreed to unless the long-term financial and administrative implications are clearly worked out and examined. (2.29)

4. There should be no blurring of field responsibilities with policy making responsibilities; State administrations and district administration should be strengthened. (2.30)

5. State Governments should also examine as to how much of the work at present done at the level of the State secretariat can be transferred to lower levels. (2.30)

6. The Staff Inspection Unit should concern themselves with the evolution of work standards and practical methods of job evaluation for aspects of governmental work common to most organisations, specially for Class III and Class IV personnel. (2.31)

7. The decision to grant exemption from inspection by the Staff Inspection Unit be taken only at a high enough level. (2.31)

8. The O & M Organisation, in its present form, should be abolished. The personnel in the O&M Organisation, should be transferred to the Staff Inspection Unit for the task of evolving work standards in the shortest possible time. (2.34)

9. Government should announce its firm determination to:

- (i) find out the degree of redundancy in organisations and personnel and
- (ii) prune the machinery where redundancy is proved or where results do not justify the expenditure. (2.37)

10. The present administrative organisation of the Government of India should be examined in two parts:

- (i) an examination of the justification of each functional unit or group of allied activities in the Central Government on considerations of the priorities before the country and location of points of duplication and over-centralisation etc. (2.39)
- (ii) a detailed examination of the staff allotted to the units which are certified as necessary. (2.41)

11. A high power commission should be specially constituted for the first part. It should consist of (i) two non-officials having considerable administrative experience such as a Chief Minister of a State or a Cabinet Minister of the Central Government; and (ii) a Civil Servant with wide experience both in the Central and State Governments such as a Chief Secretary. This examination should be completed within a year. (2.39)

12. Similar commissions should be set up every tenth year or so. (2.39)

13. The detailed examination should be carried out by the Staff Inspection Unit to be completed within three years. (2.41)

14. The Administrative Reforms Department and the Staff Inspection Unit should be amalgamated. (2.42)

15. The State Governments should also set up a unified organisation for administrative reforms and for the improvement of administrative efficiency. (2.43)

### *Chapter III—Personnel Structure and Staffing*

16. We cannot be dogmatic about unrestricted lateral entry at all levels in all professional groups nor can we afford to restrict entry at the

very low levels. The same policy cannot be advocated for all sectors of government activity. A continuous appraisal of the system is needed so that the personnel system is always in consonance with the state of the economy. (3.47)

17. In the traditional sector, the multiple lateral entry system at a small number of points appears to be adequate and should continue. (3.47)

18. In the new sector of science and technology, a larger number of entry points are in evidence. In those sectors of government activity where a homogeneous nation-wide employment market is in evidence, lateral entry at more points should be provided. In such cases the highest and the second highest posts in the department should not be included in the corresponding cadre. Such posts should be filled on the basis of open advertisement and recruitment. (3.47)

19. The Central Personnel Agency should determine from time to time as to in which departments and specialities homogeneous skill markets are developing. (3.47)

20. If a government organisation begins to experience a turnover of more than some pre-determined proportion of its annual intake, a review of its personnel structure should be undertaken. (3.47)

21. A comparison of the two concepts—Service Concept and Position Classification—shows that the basic principles underlying both of them are the same. (3.25) So far as the classification of positions as such is concerned, the service concept is more refined. (3.27) The position classification, however, excels the service concept in its refinement of measurement techniques. (3.29) The basic personnel structure, as it obtains in India at present, is sound. The service concept should, however, be dovetailed into a system that has developed (or develops) a very high degree of precision in job evaluation. (3.48)

22. There are certain levels and certain points where no mechanical criteria of classification can be applied and some superior services are bound to be based on the career concept in which an individual carries with him his pay and status. (3.31) Even at higher levels, however, where quantification is possible, as many categories as possible, should be covered by position classification. (3.50)

23. Various cadres should be built up which not only meet immediate needs but are also flexible enough to meet the ever-increasing and diverse demands of the complex socio-economic situation. (3.48)

24. Cadre concepts developed for the superior services have also been applied to lower positions. This extension of concepts and procedures which were suited to higher positions has not proved successful in relation to the personnel problems of a large number of repetitive jobs

requiring, more or less, measurable skills. (3.49) The position classification concept should also be pressed into service as early as possible at those levels. (3.50)

25. The social and economic context, the administrative system as a whole and historical factors determine the kind of senior civil service that a country has. (3.65) Not only do the original considerations for which the Indian Administrative Service was set up in the beginning hold good even today but they apply with even greater force in some respects. (3.73) There are also some additional reasons like (i) the emergence of a new tier of representative government which makes it necessary that a service structure like the Indian Administrative Service permeating all the three tiers of government which provides a uniform administrative base, an easy communication system without problems of distorted perception and allows for the natural development of personnel at the higher levels, should continue for the foreseeable future; (3.70) and (ii) the hardening of the dualistic character of the social structure which requires built-in provision in service structures such that officers work in rural areas and nearer the people for some time during their formative years at least. (3.68)

26. A number of special Police Forces directly under the Central Government, which are not territorial in character like the traditional police force, may introduce a different concept in the basic composition of the Indian Police Service. Government should examine the problem of manning the superior positions in these Forces keeping in view the all India character of the Indian Police Service. (3.74)

27. The formation of All India Services in more fields is in the interest of the country as a whole. (3.75)

28. The decision to constitute a service should be taken after full consideration of its feasibility and of the operational side of cadre management. It appears that a decision to form some of the All India Services may not have been backed by a full examination of the problem. Government should examine each proposal in the light of observations made in paras 3.76 to 3.87 before taking further steps to constitute these Services. (3.76) There are some fields where structures have to be more position-oriented than in a well-organised service structure. (3.87)

29. In the State-allotment rule of the All India Service officers, a further condition should be introduced that not more than 50% of vacancies in any zone should go to candidates from that zone. (3.89)

30. With the emergence of identifiable groups of positions in any field or speciality, service cadres, where viable, should be formed. (3.90)

31. A cadre should neither be too small nor too large, particularly, it should not be too small. (3.90)



32. Small cadres should be specially avoided in regulatory departments. In cases such services are formed for other pressing reasons, the position of heads and joint heads of departments should not be included in the cadre. (3.91)

33. Persons from existing services working in the relevant specialities should be seconded to the new service so that steep promotions are avoided and new units start on a sound base. (3.90) It is not possible to make such a fine distinction in the levels of responsibility corresponding to junior Class I and senior Class II positions. The services should be restructured by either abolishing one of them or, if there is one more identifiable level of responsibility, by establishing distinct grades with reasonable differences in emoluments. (3.93)

34. A grade only for training purposes results in unnecessary confusion. Recruits selected for higher jobs should be placed in a lower scale during the training period who may move up one or two levels after a stipulated time. (3.93)

35. In the secretariat more levels of responsibility between LDC and S. O's should be distinguished and structures suitably changed. (3.96)

36. In cases where skills are measurable, a policy of recognising different levels of skills and paying for them should be adopted. (3.95)

37. Supporting services should stay as supporting services and procedures or practices should not, as a matter of course, provide for promotion to levels or positions for which they were never intended. For outstanding men, however, special opportunities should be provided for proving their competence and for moving upwards. (3.96)

38. For the purposes of managing the Central Secretariat Service at S. O. and Assistant level, the ministries should be so grouped as to make the sub-cadres comparable in size. The grouping should be on a functional basis. (3.97)

39. A review of recruitment rules of those Central Services which have a functional counterpart in States should be immediately undertaken and provision for lateral entry, if necessary, at levels higher than the lowest entry points may be made indicating also the appropriate selection method in each case. (3.99)

40. Positions in the State Services should be so reclassified that levels of responsibility intermediate between Class II positions and senior Class I positions are distinguished. An intermediate scale of Rs. 700-1250 or some similar scale may be interposed between the present State Civil Service scale and the senior IAS scale. A similar examination should also be made of other services including the Police and technical departments. (3.103)

41. State Civil Service officers who constitute high quality personnel group with field experience should be posted as Under Secretaries in Central Government in the ministries dealing with general administration and welfare subjects. Officers from other State Services should also be drafted to appropriate ministries. (3.104)

42. Zila Parishads and Panchayat Samitis should draw upon State Services for Class I and Class II posts. These positions should be included in appropriate cadres. (3.105)

43. (a) Class II Services under Zila Parishads and Panchayat Samities should be built on the same pattern in States as the All India Services at the Union level. (3.107) An Extension Service in Class III in each of the specialities should be constituted comprising, if necessary, a number of sub-cadres which may be district-based or division-based. (3.108)

(b) Those in the highest grades in Class III should be eligible for promotion to corresponding Class II State Services. (3.108) The Panchayat Samiti Service should be treated on par for this purpose with service under government. (3.109)

(c) The State Government should exercise all disciplinary powers in respect of Class I and Class II services. The Chief Executive Officer of Zila Parishad should be vested with all disciplinary powers in respect of Class III services. (3.109)

(d) Class IV staff should be appointed by the local bodies and the Chief Executive Officer in each case should have all the powers of recruitment, appointment and disciplinary control. (3.110)

44. In procedural terms, the administrative process has three aspects: (i) a memory function, (ii) "consideration" or "examination" function, and (iii) the policy formulation and decision-making functions. (3.111) The basic approach to the personnel policy should take into account this differentiation and should be functional. (3.150)

45. The scheme of staffing higher positions in Government of India has come to be one in the nature of being a permissive provision for the utilisation of such manpower resources as are available. The principles implicit in the scheme should be made operationally effective (3.128)

46. The principle of proportional representation in a Pool (or cadre) of vital posts in the country's administrative structure is extremely dangerous, both in terms of the entry level and in terms of the kind of administrative experience gained; services differ extremely widely and the qualities necessary to hold high level positions would not be developed uniformly in all services. The only basis for selection should be ability and experience. (3.143)

47. A unified service in any of the possible forms described in para 3.131 to 3.147 is neither feasible nor desirable in our administrative

situation. Such a scheme ignores many important pre-requisites for a sound personnel policy and makes a number of presumptions (paras 3.141 to 3.147 ) not necessarily valid, without explicitly stating them (3.148)

48. The requirements of higher positions in the secretariat can also not be met exclusively by officers belonging to the corresponding departments. (3.149)

49. The controversy that continues to rage between the so-called 'specialist' and the so-called 'generalist', is completely barren. The time has come for us to rise above the rather narrow range of this controversy and look at the overall situation. (3.151)

50.(i) The primary objective of different services and cadres should be to develop personnel for normal jobs in the speciality concerned; they should also develop some of their members for related functions in other organisations.

(ii) A special cadre of officers is necessary for the group of positions which strictly do not form part of a specific functional group and are located in all the three tiers of government. (3.152)

51. In view of the distinct requirements at the consideration and policy formulation levels, (as given in paragraphs 3.154 to 3.156), there should be distinct approaches for the manning of these two levels. The more important differences are that the consideration levels require a more specialist knowledge and a greater interchange between departments and the secretariat than the policy formulation levels. At policy formulation levels, there is greater need for wider experience, sympathetic understanding of conditions in the field and awareness of the total social dynamics. (3.158)

52. A scheme of staffing for consideration levels should incorporate :

- (i) an examination of the current duties,
- (ii) their broad grouping with reference to the basic requirement,
- (iii) selection of persons with adequate experience of working at equivalent levels by cadre authorities,
- (iv) training of selected persons in a suitable institution,
- (v) a tenure of five years, no assignments outside parent cadres to be allowed before a period equivalent to that spent outside,
- (vi) the release of selected officers to be automatically effected.

The public undertakings should also be considered as sources of such personnel. (3.159)

53. The process of development of personnel for policy formulation should include :

- (i) a determination of the broad professional fields,

- (ii) a determination of *prima facie* eligibility of various services and cadres for each professional field,
- (iii) laying down conditions of eligibility for consideration, discontinuing the rule of thumb of comparing the years of allotment of different services. Officers having put in a minimum period at comparable responsible levels to be considered eligible,
- (iv) a quinquennial determination of requirements by a special committee (as in para 3.164(vi)),
- (v) a preliminary selection from those considered fit for promotion in their own cadre to a grade next higher than the grade equivalent to the upper consideration levels. Substantive assignments in their own professional field but different from the normal run. Final selection to be after successful completion of this assignment.
- (vi) formulation of courses of training, and
- (vii) refresher courses of 2-3 months' duration every five years. (3.164)

54. A permanent personnel structure should be built up only in research for executive organisations. (3.166) As a matter of rule, there should be no such structure for advisory organisations. (3.170)

55. There should be constant interchange between the "field" and the "advisory" organisations at various levels. (3.170)

56. The pressures from the permanent part should not be allowed to result in the organisation existing for the nucleus rather than in the nucleus for the organisation. Adequate development opportunities for the permanent component should, however, be built up. A certain percentage of posts at the next higher level may be reserved for them, but movement to still higher levels must be extremely limited. (3.173)

57. A systematic and planned approach on a continuing basis of the personnel needs of such bodies should be done by a body like the U.P.S.C. or the C.P.A. (3.167-A).

58. The broad professional groups for which personnel should be developed are :

- (i) personnel and manpower;
- (ii) economic administration (including planning);
- (iii) financial administration;
- (iv) agricultural administration;
- (v) industrial administration;
- (vi) social and educational administration;

- (vii) internal security and defence; and
- (viii) general administration. (3.174)

59. The Central Administrative Pool or any other pool modelled on that pattern will not be of much use in our context. (3.179)

60. Recruitment on a regular basis to unspecified positions is not correct. For isolated posts which cannot be provided for by any specific cadre, qualified persons should be recruited on *ad hoc* basis and employed on a contract basis for specific period. The contract may be renewed, if necessary, in the public interest. (3.181 and 3.182)

61. Secretariat department and executive department should be independent administrative units. However—

- (i) the head of department should be given appropriate secretariat status,
- (ii) proposals from the head of department should be considered at a high enough level,
- (iii) there should be maximum delegation of powers, and
- (iv) the head of department should be given adequate staff assistance for personnel, financial and similar other matters. (3.186)

62. The proposal for a secretariat service for consideration levels is unrealistic and cannot be taken seriously. (3.190)

63. Direct recruitment at the Section Officers' level is incongruous and may be stopped. (3.191)

64. The supportive role of the Secretariat Services as envisaged at present is correct. These services cannot be considered to form a nucleus of upper consideration and policy formulation levels. (3.194)

65. The Central Personnel Agency should evolve methods whereby basic requirements for manning superior positions are required to be satisfied before appointments from various sources are made. (3.194)

66. The present provision at the Under Secretary's level and at the Deputy Secretary's level for the Secretariat Service Cadre is adequate. The temporary imbalance which has occurred in the last few years should be corrected. (3.194)

#### *Chapter IV—Personnel Management and Development*

67 The first basic requirement of a personnel structure is quantitative adequacy. (4.3) Our recruitment policy should be moulded in such a way that, without compromising quality, the services net the best available talent, the field of choice is not restricted, implicitly or explicitly, and the base of recruitment is strengthened. (4.9)

68. The government, in consultation with the Union Public Service Commission should evolve a scheme of examination for the higher services on the model suggested in para 4.11. It should be in two parts: the first part should net the meritorious and the second part should prepare him to be a member of a national civil service. (4.11)

69. For technical services, a scheme should be devised which satisfies two conditions: a simple examination not requiring long preparation and a minimum time-lag between the university examination and the offer of appointment. Suitable tests should be developed by the U.P.S.C. and a start should be made immediately. (4.12)

70. The Union Public Service Commission replace the essay type examination for lower posts by modern tests. (4.13)

71. The fixation of the strength of a particular cadre should not be an isolated operation. (4.14-A)

72. Proposals for expansion (or reduction) should be based on an overall view of the relevant cadres. The present rate of recruitment to the IAS is rather high. (4.14-A)

73. Deputation reserves of reasonable proportions should be built into every service or cadre whose study shows that deputation demands on it are considerable. The Central Personnel Agency should not treat any cadre as viable unless all these reserves have been properly incorporated. (4.15) As a matter of general policy, the Central Personnel Agency should discourage deputations from inadequately manned cadres. (4.21)

74. In some cases cadre gaps are not being filled on a planned basis. If and when there is such a feeling of dilution of quality, a Central Agency (the Central Personnel Agency or the Union Public Service Commission) should assess the intake requirements of all the different cadres drawing from a common source and a *pro rata* cut may be made for all services rather than that each cadre authority be the sole judge of desirability or otherwise of reducing or increasing the intake. (4.16 and 4.17)

75. Every regularly constituted service or cadre should have a cadre management committee. This committee should undertake an exhaustive review of the cadre every five years subject to a mid-term review. These reviews should be formally drawn up in the form of reports. (4.21)

76. Every cadre or service must have an internal quantitative balance. The internal balance should be determined with reference to the one (or two at the most) level(s) at which most officers of the cadre will spend most of their careers. (4.22) The recognition of the normal level of a cadre should be realistic. Where the normal level is junior Class I, different kinds of cadres should be evolved. (4.25)

77. As a matter of general policy, the levels of entry should be so fixed that there is no direct recruitment at two consecutive levels. (4.31)

78. The pattern of promotion as in the I.A.S. should be followed, as a rule, for promotions from Class II to Class I unless there are very special grounds for a contrary practice. (4.32)

79. Cadre management authorities should get initially the right decision regarding proportions of direct recruitment, promotion, etc. and, thereafter, on maintaining them. (4.35)

80. Cadre authorities should avoid sharp fluctuations in the promotion figures and the figures should be steady subject to variation of 25 per cent either way. Sudden addition of vacancies should be spread over a period of 3 to 5 years. It should be fixed. (4.36 and 4.37)

81. In consultation with the Union Public Service Commission and the cadre management authorities, a regular roster for the Departmental Promotion Committees should be prepared. (4.37)

82. At the present moment, concern with the quality of personnel in public administration is not either very active or persistent. Such concern should exist and that the approach to problems of quality be systematic. (4.46)

83. The best men in each field of specialisation should have the same initial start under government; the average prospects, however, depend on many variables. (4.47)

84. A career time-scale is one of the pre-requisites for a contented civil service. The mid-point of the scale should be treated as the real point of comparison and it has to be assumed that in the early years of his life, the individual is being paid less than what that job costs and in the latter half he is being compensated. (4.49)

85. The remuneration should be related to:

- (i) the basic educational requirements;
- (ii) levels of proficiency requirements within each group;
- (iii) levels of responsibility; and
- (iv) service conditions. (4.50)

86. Salary scales may be so designed that the mean of the higher scale is about 15-20% more than the mean of the next lower scale. The time scale may be about 18 years long and the increments may be so adjusted that the final salary in any scale is about twice the initial salary. (4.51)

87. (a) The principle of equal pay for equal work may be recognised for the entire country for both the Central and the State Governments and even local bodies; and (4.53)

(b) As many variable co-efficients of a job situation as possible should be standardised like regional component based on the regional

cost of living, a 'locational component' on the basis of the population and other criteria. (4.54)

88. Sectoral approaches to the problem of emoluments disturb the balance. (4.57) Before taking up revision of emoluments in a sector on the ground that certain other sectors are getting more, first the relativity with the lower levels and with other government sectors placed less favourably should be compared and seen whether the net result would be greater imbalance. (4.58)

89. A Pay and Allowances Division should be established in the Central Personnel Agency. The Pay Research Unit in the Ministry of Finance should be transferred to the Central Personnel Agency and form the nucleus of this Division. (4.59)

90. A Pay Commission should be appointed every ten years. No Pay Commission should be saddled with the responsibility of reaching down to very great details. A number of key issues should be framed and the well-considered opinions of the Pay Commission on them should be obtained; the rest of the work should be dealt with in the Pay and Allowances Division. (4.59)

91. Pay Commission's views should also be useful in a broad indicative sense to State Governments as well. The Personnel departments of State Governments should take follow up action. (4.60)

92. Subject to evolving an appropriate national pay policy, government should enforce a maximum differential of twenty five times between the lowest and the highest all over the country within a reasonable time. (4.65)

93. A national minimum of Rs. 75.00 p.m. should be accepted, and in the first instance, the highest salaries be brought down to Rs. 2,500 p.m. The ultimate aim should be to raise the minimum to Rs. 100 and bring down the maximum to Rs. 2,000. (4.65 and 4.66)

94. The existing salary scales should be telescoped such that the highest is brought down to Rs. 2,500 and the Rs. 200 point remains stationary. This scaling down should not await a complete redesign of salary structures. (4.66)

95. The practice of misutilisation of high level personnel should be discontinued and higher posts properly valued in terms of actual responsibility. (4.67-A)

96. Cadre structures should provide for all positions whether temporary or permanent. (4.70)

97. For the purposes of seniority etc., there should be no distinction between persons appointed to posts likely to continue indefinitely and those appointed to permanent posts. However, if there is a reduction in the strength of a service, those who are not permanent would go first, but should be given proportionate retirement benefits. (4.72)



98. Except in those cases where an organisation or a post has been set up or created for performing a purely *ad hoc* function, any post which continues for more than one year should be treated as permanent. (4.73)

99. The existing administrative rules regarding frequency and intensity of inspections should be re-examined and standards necessary in the new context fixed and strictly enforced. (4.75)

100. Specific responsibility for each item of work should be fixed and delegations of power should be maximised. (4.75)

101. Inspection notes should highlight cases of failure in the exercise of delegated powers. Tendency to shirk responsibility or to share it with higher officers, explicitly or implicitly, should be noted in the annual confidential reports. (4.75)

102. The hand of the immediate superior should be strengthened by giving authority to suspend the subordinates, subject, however, to review by the next higher authority within a fixed time. (4.78)

103. The following powers relating to personnel below the rank of Joint Heads of Departments should be delegated to heads of departments:

1. All appointments subject to consultation with the Public Service Commission;
2. Confirmation and declaration of quasi permanency;
3. Postings and transfers;
4. Selections for training;
5. All promotions subject to the Departmental Promotion Committee;
6. Sanctioning of leave etc; and
7. Discipline, control and appeal. (4.74)

104. Tenures should be relatively short in regulatory posts and should be long in posts connected with development administration. (4.79-A)

105. A systematic policy should be evolved for difficult areas and difficult postings. (4.80)

106. All barriers which hinder the operation of tenure system should be removed including (i) rationalisation of emolument levels between the secretariat and field posts and also between the Central and State government posts, and (ii) a rational evaluation of responsibilities at higher levels. (4.81 and 4.83)

107. (i) the tenure system should be rigidly enforced; and

- (ii) officers must go back to the parent departments for a substantial length of time. (4.85)

108. The placement of all the officers in the Central Secretariat should be reviewed forthwith. All those who have put in more than five years in any organisation should be shifted immediately to another organisation though it may be within the same professional group. (4.86)

109. The personnel system should be so managed that always alternative arrangements are available and no one becomes indispensable. (4.87)

110. Some services should be barred to women, whereas, in other services, the proportion should not exceed a pre-determined level. (4.92)

111. Information should be regularly collected regarding the educational and other characteristics of personnel in the state sector. (4.95)

112. Within three months of the end of the financial year, every department of government and every public undertaking should bring out a report regarding personnel which should be transmitted to the manpower planners concerned. (4.95)

113. Reasonable manpower reserves should be incorporated in practically every cadre. (4.96)

114. There should be properly staffed personnel planning units in the personnel offices of departments and ministries headed at the apex by the Central Personnel Agency. (4.98)

115. A review of the manner in which various units in government have expanded over the last 10 years or so should be undertaken immediately. (4.99)

116. The proposed broadening of the scope of the UPSC "interview board" scheme and making available details regarding suitable Indians abroad not only to purely governmental organisations but also to State Governments, universities and public undertakings is a good step forward. A broader-based effort should be made to accelerate the return of large numbers of Indian talent abroad. (4.101)

117. The present practice of framing of recruitment rules by the executive under Article 309 in consultation with the Commission may be continued indefinitely. The rules framed may, however, be placed before the Parliament. (4.108)

118.

- (i) Adequate staff support should be provided to the Commission; persons with wider experience in education, scientific research, practical administration in States should be brought to

serve at a sufficiently high level specially in the unit dealing with recruitment and recruitment policy;

- (ii) the Research and Statistics Division of the Commission should be strengthened;
- (iii) the Commission should bring out an annual publication highlighting the trends in the skill markets. (4.110)

119. Public Service Commissions in the country, and the Union Public Service Commission in particular, should become leaders in modernising personnel selection and development practices. The Central Personnel Agency should undertake a more detailed study and in consultation with the UPSC evolve a detailed programme for future development. (4.111)

120.

- (i) As formal training programmes cannot be a substitute of on-the-job training and daily work-experience, the cadre management committees should ensure that well-considered on-the-job training programmes are drawn up for all categories of personnel.
- (ii) Training and building up of personnel should be an important part of the duties of senior officers. (4.122)

121. Every encouragement and facility should be given for self-development. This should include—

- (i) liberal grant of leave for study;
- (ii) facilities of leave for attending seminars and conferences;
- (iii) encouragement of original work;
- (iv) reimbursing part of expenditure on professional books and periodicals. (4.123)

122. Senior persons in rapidly developing specialities should be sent out to a teaching or a research job, if necessary, on an exchange basis. (4.125)

123. The exact requirements in terms of skills, desirable experience, etc., for positions in different fields should be spelled out in detail and special programmes arranged for each group. (4.126)

124. Special career development programmes as suggested in paras 4.127 to 4.132 should be drawn up by each cadre authority. The Central Personnel Agency should also help institute model career development programmes in small units. (4.133)

### *Chapter V—Personnel Agencies*

125. A Central Personnel Agency be established. (5.4)

126. The general approach of the C.P.A. should be to concentrate on the development of proper personnel policies and practices and not burden itself with much too massive detailed control. (5.6)

127. The following items relating to personnel deserve central attention and should be entrusted to the Central Personnel Agency:

- (i) Personnel Policies;
- (ii) Manpower Planning;
- (iii) Career Development;
- (iv) Overall aspects of Training;
- (v) Service Rules;
- (vi) Management of all India and inter-Ministry Services;
- (vii) Postings to key positions;
- (viii) Welfare;
- (ix) Research in Personnel Management and Problems of Government. (5.10)

128. The CPA should provide leadership in personnel matters to the entire State Sector including State Governments and Public Sector Undertakings. (5.10)

129. The central agency should be placed under the Ministry of Home Affairs. (5.12)

130. The setting up of this Agency should be preceded by a very careful design of its structure and defining the precise skills required at various levels. (5.14)

131. There need be no hurry in setting up all the wings of this Agency right at the start. The new functions should grow slowly after due experimentation. (5.14)

132. A top man in personnel who should work as Adviser to the Government of India on Personnel should be appointed immediately after a decision to constitute this Agency has been taken who should be associated from the very planning stage. (5.15)

133. He should be assisted by a small Advisory Unit consisting of 5-6 experts in various branches of personnel administration. (5.15) The function of the Advisory Unit should be essentially catalytic and experimental. (5.16)

134. The specifications in respect of the Personnel Adviser to Government should be as in para 5.15. (5.15)

135. Properly staffed personnel units should be established in every department. (5.17) The level of the head of these units should not be

more than one or two levels below the chief executive of the organisation. (5.19)

136. A central agency in each State should be established which should be charged with the same functions as suggested by us for the Central Personnel Agency. It should be placed under the Chief Secretary. The Chief Secretary should be assisted in these functions by properly trained staff. (5.21 and 5.22)

137. The Central Personnel Agency should develop a cadre of personnel specialists who should be adequately and comprehensively trained. (5.25)

#### *Chapter VI—Political Executive and Personnel Administration*

138. Integrity, austerity and hard work are expected from each individual but the standard of expectation and performance expected of him should be directly proportional to his position in life. (6.4)

139. There should be a single nomination to the post of Secretary, recommended by the Central Personnel Agency so as to eliminate all personal elements in the appointment. (6.11)

140. A written code defining the political executive-civil servant relationship in clear terms might be useful and tried at the lower levels of the administration. It is not likely to work at higher levels nor be conducive to the growth of harmonious relationship. (6.18)

141. Both the political executive and civil servant should clearly and sympathetically appreciate the role of the other, and attempt at a maximum accommodation of each other's view. (6.18)

142. On the part of the political executive there should be

- (a) a proper understanding of the administrative functions and recognition of its professional nature.
- (b) as little interference as possible in service matters e.g., posting, transfers, promotions etc. Discouraging officers of the department to see him personally for redress of service grievances;
- (c) no requests for departures from declared and approved policies to suit individual cases either as a result of political consideration which cannot be reduced to general principles of action. (6.18)

143. On the part of the Services:

- (a) there must be a sincere and honest attempt to find out what the political head wants and make the necessary adjustment in policies and procedures to suit his wishes;
- (b) a readiness to fall in with his political chief in all matters, unless strong grounds indicate a different course. In such a case he should politely indicate his dissent and if he is overruled in writing he should willingly carry out his orders. (6.18)

144. The Chief Minister in the State and the Prime Minister at the Centre should be responsible to see that proper relationship between the Political Executive and the Civil Service develops and continues to grow. (6.19)

145. It should be open to either side, that is, the Political Executive or his Secretary, to ask for a change. This option should be strictly limited to the level of Secretary. (6.20)

146. The services and administrators should be reassured that no account will be taken of extraneous factors like caste, region etc., in relation to Service matters. (6.22)

147. The services should be entirely free from casteism and regionalism. (6.23)

148. Any provision of staff assistance by appointment of advisers and specialists should be within the frame of the Ministry. An Adviser should be Adviser to Government and not to a particular Minister in his personal capacity. An Adviser may have a direct approach to the Minister though in that case the Secretary should be kept informed of all the proposals and should have a right to give his opinion. (6.24)

149. Programmes should be instituted for providing the political executive adequate background in administration and other matters which could be gone through in the normal course of their political life even before they are selected as Ministers. Those programmes should either be under the aegis of the Parliament or some academic institutions. (6.28)

#### *Chapter VII—Staffing of Public Sector Enterprises*

150. A separate approach towards the personnel problems of the 'profit making' and 'non-profit' organisations in the public sector is necessary in view of some basic differences between the two. (7.5)

151. Considerations which led to the creation of the Public Service Commissions are equally important for personnel management in the quasi-government sector though the institutional forms may be different. (7.9)

152. The jurisdiction of the UPSC should be extended by an Act of Parliament under Art. 321 of the Constitution so as to cover non-profit organisations in the public sector. The broad objective of this Act should be as given in para 7.10 (7.10)

153. A special committee should be constituted for the selection of the Chief Executives of public sector enterprises. It should have persons with experience of running industrial and commercial enterprises in addition to some Secretaries to Government. This Committee should prepare a panel of three names for each post and submit it to the Appointments Committee of the Cabinet, who may finally select one of them. (7.15)

154. Successors for key positions should be chosen well in advance and a supernumerary post should be created for a period of three months during which the successor must work side by side with the incumbent as an understudy. (7.16)

154A. No officer should ordinarily be nominated to more than two boards. For appointment of the members of the Board, a Committee consisting of the Secretary of the concerned ministry, Secretary-in-charge of Bureau of Public Enterprises and the Chief Executive of the concerned enterprise, should be constituted who should prepare a list of suitable persons and submit it to government for final selection. (7.17)

155. As a general rule, only senior officers of the rank of Joint Secretary or Additional Secretary, should be nominated to the Boards (7.18)

156. No personnel policy, which bars a particular category of persons from being considered for top positions, would be in the best interests of the public sector. The principle of the best person available anywhere being appointed to such positions should be strictly applied. (7.20)

157. The process of movement to the public undertakings at higher levels from government service should be made irreversible. No one who is expected to serve for less than five years should be selected for these positions. The conditions and terms of service in the Government and in public undertakings may be suitably changed to facilitate this process. (7.21)

158. Appointments below the board level should be left entirely to the Board. (7.23)

159. As a matter of convention, second and third level appointments should be made only from panels evolved for these purposes by a Central authority. The selected persons should be formally appointed by the Board and not by any external body. (7.24) The mechanics for preparation of panels should be as given in para 7.26 (7.26) The Industrial Management Pool should be wound up. Government may fix up the present members of the Pool in various enterprises, preferably on a permanent basis. (7.28)

160. The introduction of the revised pool scheme would not be a desirable step. The scheme should not be forced on public enterprises. (7.33)

161. The personnel needs of the growing public sector are so large that, at the middle management levels, it will be of advantage to draw upon the government sector. The system, however, should be carefully planned and cautiously operated. As a rule, officers taken in at these levels should be encouraged to opt permanently for service in the enterprise. (7.37)

162. For exceptional positions it may be of advantage to have officers on the usual deputation terms but the period of deputation should not be less than 4-5 years. (7.38)

163. Such advantages or benefits as would have accrued to an officer in the parent department but for the deputation should be guaranteed to him to avoid abrupt break in deputation. (7.38)

164. The appointment of the Financial Adviser should be made by the Board itself; prior approval of government may, however, be stipulated. (7.39)

165. Public enterprises should make adequate provision in their personnel structures for such needs of government as may arise from time to time. (7.40)

166. There should be a regular programme for a number of officers from different fields specially in State Governments being taken into public enterprises for a limited period with a view to giving them varied experience. (7.40)

167. The CAPSECS should assume a positive role in Personnel Planning, work out probable personnel requirements in key areas and at key levels in the light of likely expansion programmes. (7.43)

168. Personnel planning for normal operational phase should be attended to by each enterprise as part of a well-thought out personnel management policy. (7.44)

169.

- (i) a programme of detailed job description, specification and classification should be taken up by the undertakings;
- (ii) each organisation should prepare a manpower inventory in usable form. (7.51)

170. Enterprises should ensure the maximum possible objectivity in selection procedures and continuously examine the validity and reliability of the techniques employed. (7.51)

171. Public enterprises should:

- (i) co-ordinate their recruitment programmes at the junior executive levels; and
- (ii) adopt an aggressive recruitment policy. (7.55)

172. The practice of having State Government representatives on Selection Boards of Public Undertakings should be stopped; Selection Boards should be purely functional. (7.56)

173. It should be made obligatory for Employment Exchanges to forward lists of suitable candidates within 15 days from the date of



requisition; a further time of 15 days may be allowed if reference to other exchanges is necessary. Failing this, they should be free to recruit from the open market. (7.58)

174. The classification adopted by the Employment Exchanges should be constantly reviewed. To start with, industrial occupations should be classified in sufficient detail. (7.59)

175. The officers-in-charge of Employment Exchanges should be adequately qualified in psychology and vocational guidance. They should also be given intensive training in the various aspects of occupational classification. (7.59)

176. The broad approach to training skilled workmen should be that viable enterprises should work out their own training programmes and the smaller enterprises should explore the possibility of linking their training programmes with the bigger enterprises. The CAPSECS should co-ordinate these programmes. (7.62). The establishment of training institutes for middle level personnel should also be on the same pattern. (7.64A).

177. For developing specialised skills (i) special courses should be devised; (ii) refresher courses should be instituted with a view to introduce them to new ideas. (7.66)

178. Special courses for middle management personnel should be worked out which give them a broader understanding of higher management problems. (7.67) Appreciation courses and seminars for top management personnel covering modern management techniques should be arranged.

179. Each enterprise should have sound career development programmes. For each position at the top and the middle levels, two or more individuals should be earmarked sufficiently in advance and their career watched, planned and developed. Special attention should be paid to the career development of exceptional talent. (7.71)

180. Performance norms should be prescribed for repetitive jobs. In case individual performance norms cannot be prescribed, group performance norms should be worked out. (7.72)

181.

- (i) the HSL form of Confidential Reports may be adopted with suitable changes by Industrial Enterprises;
- (ii) the experience of different enterprises may be pooled through workshops of personnel officers under the aegis of the CAPSECS. (7.73)

182.

- (i) Report writing should be given the care it deserves;

- (ii) the overall gradations should follow certain norms; and
- (iii) the chief executive, assisted by a committee, should undertake moderation of reports. (7.74)

183. Criteria for promotion should be worked out for every level based on an appropriate combination of merit and seniority. The higher the levels, lesser should be the role of seniority. (7.76). A minimum period of service should be prescribed in each grade for being eligible for promotion to the next higher position. (7.77)

184. The scheme of selecting the best workers in an enterprise and giving cash awards and publicising their achievement should be adopted by all enterprises. (7.78)

185. Each organisation should carefully consider all its individual departments and adopt suitable incentive schemes on an individual, group or organisational basis. (7.80)

186. Special or difficult assignments should be given to selected individuals and their satisfactory performance should be specially recognised. (7.82)

187. The provision of termination of service at three months notice should be utilised with greater effectiveness. (7.83)

188. Disciplinary procedures should be simplified and other automatic checks like stoppage of annual increment should be built-in to deal with cases of unsatisfactory performance. (7.84)

189. The salary structure for high positions should be redesigned such as to enable outstanding persons to move some steps up in due course. (7.86). Though no uniform pattern can be applied to the entire industrial field. (7.87). A salary structure having more steps would be useful. (7.88)

190. A certain amount of flexibility in pay policies at the middle levels is desirable; suitable changes should, however, be made on the firm base of facts and figures. (7.90)

191. There should be no rigid linking of highest pay in the public sector enterprise with those in government though some comparability would be desirable. (7.94)

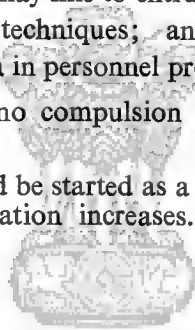
192. A new public sector enterprise should plan its recruitment in consultation with the heads of other public enterprises. The older enterprises should have a liberal policy of releasing personnel where it means promotion. The CAPSECS should plan and co-ordinate this movement within the public sector. (7.99)

193. The functions of personnel departments of these enterprises should be carefully laid down on the pattern in para 5.18 (7.103).

194. The personnel unit should be placed directly under the Chief Executive. (7.105)

195.

- (i) A service agency 'Central Association of Public Enterprises for Common Services' should be created;
- (ii) This Service agency should be financed and managed by the Public Enterprises on a cooperative basis;
- (iii) The Governing Board of this agency should comprise three representatives of the public sector enterprises, Chief of the Central Personnel Agency and the Secretary incharge of the Bureau of Public Enterprises;
- (iv) This agency should:—
  - (a) provide expert advice on all personnel matters;
  - (b) provide necessary service in personnel functions to smaller enterprises;
  - (c) undertake recruitment to junior executive levels of such enterprises as may like to entrust the recruitment to it;
  - (d) develop testing techniques; and
  - (e) conduct research in personnel problems;
- (v) There should be no compulsion in any form, for using its service;
- (vi) This agency should be started as a small unit which may expand as its area of operation increases. (7.113)



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# ANNEXURES



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## ANNEXURE 2 (1)

(Para 2·4)

### EMPLOYMENT STATISTICS

Period	Employees		Index of employment (Base 1960=100)
	Number in lakhs	Percentage rise over the previous year	
Second Plan			
1956	17.92	..	88.5
1957	18.39	2.62	90.8
1958	19.14	4.06	94.5
1959	19.89	3.92	98.0
1960	20.25	1.81	100.0
Third Plan			
1961	20.94	3.41	103.4
1962	21.56	2.96	106.5
1963	23.49	8.95	116.0
1964	25.36	7.96	125.2
1965	26.37	3.98	130.2

(Source: Censuses of Central Government Employees.)

### STATE GOVERNMENTS

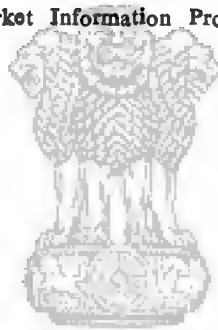
Period	Employees		Index of employment (Base 1960=100)
	Number in lakhs	Percentage rise over the previous year	
1960	28·57	..	100·0
1961	30·14	5·5	105·5
1962	30·87	2·5	107·1
1963	31·98	3·6	111·9
1964	34·33	7·4	120·2
1965	35·85	4·4	125·4
1966	37·27	4·0	130·4

The above figures relate to the 31st March of each year. (Source: Employment Market Information Programme.)

## LOCAL BODIES

Period	Employees		Index of employment (Base 1960=100)
	Number in lakhs	Percentage rise over the previous year	
1960	10.96	..	100.0
1961	11.73	7.0	107.0
1962	12.65	7.8	115.4
1963	14.31	13.1	130.6
1964	14.90	4.1	136.0
1965	15.98	7.2	145.9
1966	16.89	5.7	154.1

(Source : Employment Market Information Programme, Directorate General of Employment & Training)



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# ANNEXURE 2 (2)

(Para 2.4)

TABLE I

*Showing the breakup of officers in the Central Secretariat according to the parent cadre*

Services	Secys. & Spl. Secys.	Addl. Secys.	Jt. Secys.	Dy. Secys.	Under Secys.
<b>As on 1-4-1961*</b>					
ICS/IAS	25	9	43	64	31
IA & AS	1	..	6	1	19
IDAS	..	1	5	4	11
IRS	..	..	4	16	20
IPS	..	..	..	3	..
IRAS	..	..	2	2	..
State Civil Services	..	..	..	3	17
CSS	1	1	6	93	329
Others	9	3	18	7	7
	36	14	84	193	434
<b>As on 1-4-1966*</b>					
ICS/IAS	37	11	69	65	29
IA & AS	..	2	4	23	31
IDAS	..	2	5	5	17
IRS	..	2	10	20	33
IPS	..	..	1	4	..
IRAS	..	..	3	1	..
State Civil Services	..	..	..	..	14
CSS	2	1	12	111	316
Others	9	7	19	13	8
	48	25	123	242	448

\*Including Dy. Finl. Advisers/Asstt. Finl. Advisers and excluding IFS/IFA officers holding posts of Dy. Secy./Under Secy. in the Ministry of External Affairs.

**ANNEXURE 2 (2)**  
(Para 2·6)

**TABLE II**

*Strength of each grade of the CSS/CSCS*

Grade	Total No. of duty posts as on 1-1-1964	Total strength as on 1-4-1965
Section Officers	1693	2943
Assistants	4798	6367
U. D. Cs.	2865	2396
L. D. Cs.	9402	7609

(Source : Ministry of Home Affairs)



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# ANNEXURE 2 (3)

(Para 2·4)

## Expenditure of Government under 'General Administration'

Head of Expenditure	Expenditure in crores of rupees			
	1950-51	1955-56	1961-1962	1965-66 (Revised estimates)
<b>Civil Administration</b>				
Centre . . .	21·29	33·57 (11·5)	59·17 (12·7)	92·21 (13·9)
States . . .	106·7*	122·4 (3·6)	185·4 (8·6)	267·2 (11·0)
*This figure relates to 1951-52				
<b>Civil Secretariat</b>				
Centre . . .	6·25	8·98 (8·7)	12·57 (6·7)	..
States . . .	4·19	9·17 (23·8)	14·75 (10·1)	..
<b>District Administration</b>				
States . . .	5·81	22·89 (8·9)	34·19 (8·2)	..
<b>Total General Administration</b>				
Centre . . .	9·11	12·63 (7·3)	19·22 (8·7)	..
States . . .	25·03	44·12 (15·3)	69·60 (9·6)	..

NOTE : Figures in brackets denote the average annual growth as compared to the period immediately preceding.

(Source : Reserve Bank Bulletins)

# ANNEXURE 2 (4)

(Para 2·7)

TABLE I

*Statement showing the number of Central Government Employees, according to Status, Gazetted and Non-Gazetted*

Year	Gazetted Employees	Percentage	Rate of Growth (1951=100)	Non-Gazetted Employees	Percentage	Rate of Growth (1951=100)	Total	Rate of Growth	Ratio of Gazetted & non-gazetted Employees
1951	14,349	0·9	100·0	15,14,850	99·1	100·0	15,29,159	100·0	1:106
1955	17,899	1·1	124·7	16,07,491	98·9	106·1	16,25,390	106·3	1:50
1960	26,976	1·4	188·3	19,19,524	98·6	126·7	19,46,500	127·3	1:71
1965	39,811	1·6	277·4	23,79,842	98·4	157·1	24,19,653	158·2	1:60

(Source : Directorate General of Employment & Training)

# ANNEXURE 2 (4)

TABLE II

*Distribution of Central Government employees (Regular only) in Ministries/ Offices and their Attached and Subordinate Offices in status (Gazetted and non-gazetted)*

Year	Secretariat proper		Attached/subordinate Offices		Total	Ratio of Officers in Secretariat and Non-Secretariat Offices		
	Non-gazetted	Gazetted	Non-gazetted	Gazetted				
1	2	3	4	5	6	7		
						Col. 3:5	Col. 3:2	Col 5:4
1960	21,503	3,109	18,98,021	23,867	19,46,500	1:7·7	1:6·9	1:79·5
1961	20,333	3,091	19,37,331	25,813	19,86,568	1:8·3	1:6·6	1:75·5
1962	20,810	3,149	20,00,886	26,592	20,51,437	1:8·5	1:6·6	1:75·2
1963	23,465	3,587	21,43,791	29,794	22,00,637	1:8·3	1:6·5	1:71·9
1964	23,073	3,530	23,13,123	33,366	23,73,092	1:9·4	1:6·5	1:69·3
1965	22,932	3,689	23,56,910	36,122	24,19,653	1:9·8	1:6·2	1:65·3

(Source : Directorate General of Employment & Training)

## ANNEXURE 2 (4)

TABLE III

*Statement Showing the Distribution of Central Government Employees According to Class of Posts*

Class of Post	1960		1965		Rate of Growth (1960=100)
	Number	Percentage	Number	Percentage	
Class I . .	9796	0.5 (100)	19022	0.8 (100)	194.2
Class II . .	25792	1.3 (263)	33195	1.4 (175)	128.7
Class III . .	873834	44.9 (8220)	1143857	47.2 (6013)	130.9
Class IV . .	978815	50.3 (9992)	1209457	50.0 (6358)	123.6
Un-Classified .	58263	3.0 (595)	14122	0.6 (74)	24.2
Total . . .	1946500	100.0 (19870)	2419653	100.0 (12720)	124.3

Figures in brackets denote the indices as compared to the respective numbers of Class I posts in 1960 and 1965, respectively.

(Source : Censuses of Central Govt. Employees)



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**ANNEXURE 2(5)**  
**(Para 2.31)**

***A note on the work done by the Staff Inspection Unit of the Ministry of Finance, the Department of Administrative Reforms and O and M Cells in Ministries/Departments***

Two agencies at the Centre which are charged with the task of looking into efficiency and economy in Government organisations are the Staff Inspection Unit in the Ministry of Finance (Department of Expenditure) and the Department of Administrative Reforms in the Ministry of Home Affairs. There are O & M Cells in individual Ministries and Department also, charged with the responsibility of ensuring economy and efficiency in the disposal of work.

2. The need for an agency for 'greater economy and efficiency' was felt in the First Five Year Plan. Appleby also suggested "the establishment of a Central office charged with the responsibility for giving both extensive and intensive leadership in respect of structure management and procedures". As a result of these suggestions, the O & M Division of the Cabinet Secretariat came into being in March 1954 with a charter of initiating and sustaining a concerted action to improve administrative efficiency in all branches of Government. They were, however, not concerned with financial scrutiny.

3. In 1957, the Cabinet directed that the Economy Unit of the Ministry of Finance (Special Re-organization Unit) should advise and assist the Ministries in reviewing the nature, volume and quality of the work done at all levels and to take practical steps to remove defects in the organisation and methods. In 1960, with a view to better co-ordination, the S.R.U. and O & M Division were placed under the same officer. However need was being felt for a wider coverage and looking into areas other than economy and routine procedural aspects of administration. A new Department of Administrative Reforms was, therefore, set up in the Ministry of Home Affairs in 1954, incorporating within itself the O & M Division. Simultaneously, S.R.U. was also reconstituted into the Staff Inspection Unit and given the specific and limited task of undertaking quick reviews (work measurement studies) of staff in the Central Ministries and their attached and subordinate organisations.

4. Since its inception, the Staff Inspection Unit has carried out a number of inspections. A statement showing the economies effected by the Staff Inspection Unit and its predecessor Staff Re-organisation Unit since 1961-62 is appended.

5. The Staff Inspection Unit has also evolved 159 standard norms for house-keeping, repetitive and routine jobs common to Ministries/offices. Those cover jobs done in Receipt and Issue, Cash, General and Administration Branches and Libraries.

6. At present, even though the jurisdiction of the S.I.U. covers all the offices of the Government of India, inspection as such has not been made mandatory. Studies are undertaken in consultation with the organisations selected generally at the instance of the Associate Financial Advisers. It has not been possible for the S.R.U./S. I. U. to arrange inspections in Departments like the Atomic Energy Department, the Indian Audit Department or most of the Indian Missions abroad. A few autonomous organisations financed out of Central Revenues and Public Sector Undertakings have also been studied by the S.R.U./S.I.U., but only on request. Occasionally, some organisations question the technical competence of the S.I.U. to study and assess their workloads. In the absence of a mandate, the Unit has used persuasion and inspected some of these organisations also.

7. As regards the Administrative Reforms Department, the most important item of work undertaken by them has been the examination of the existing pattern of the secretariat organisation. This was done at the instance of the Government who appointed a Committee of Secretaries consisting of Cabinet Secretary, Home Secretary and Finance (Expenditure) Secretary to go into the whole question. The Committee started the work on the premise that the problem of staffing patterns is different in the secretariat organisations and attached and subordinate offices and that there should be maximum delegation from the ministries and references received from heads of departments be dealt at sufficiently high levels in the secretariat on a single file system. A detailed examination of the Ministry of Works and Housing yielded significant data on the nature of the contribution made at various levels in the secretariat on the proposals and references received from the attached office. Detailed analysis disclosed the extent of unnecessary references being made to the secretariat by the attached office. The work and structure of the Works Unit of the Ministry has been re-organised. The resulting changes in staff composition are as follows:

Posts	Conven- tional Structure	Proposed by A.R.D.	Revised Structure as func- tioning
1	2	3	4
Deputy Secretary . . . . .	2	2	2
Under Secretary . . . . .	2	..	2
Section Officer . . . . .	4	..	6 (plus 11 short-term)
Principal . . . . .	..	4 (plus 2 short- term)	..
Asstt. Principal . . . . .	..	2	..
Assistant . . . . .	20	1	1
Stenographer . . . . .	3	2	4
Stenotypist . . . . .	..	6 (plus 2 short- term)	6 (plus 1 short term)
U.D.C. . . . .	4	..	
L.D.C. . . . .	9	4 (plus 1 short- term)	
<b>TOTAL</b> . . . . .	<b>44</b>	<b>21 (plus 5 short- term)</b>	<b>26 (plus 2 short- term)</b>

8. It is seen that the proposals have made a drastic cut of more than 50 per cent in the total strength of the staff. Although the proportion of higher staff upto the level of Assistant Principal is supposed to be higher than in the previous pattern, the absolute number at those levels in the long run was to be the same as in the previous

pattern, there being a temporary addition of about 25 per cent. In actual implementation, however, the absolute number of total staff has gone down, but the higher staff has increased by about 50 per cent in absolute numbers on a permanent basis.

9. Another interesting phenomenon is that whereas the operational level recommended was the Principal (equivalent to Section Officer), in implementation the level of Under Secretaries has also been retained. This exhibits the tendency of employing higher staff than strictly required. In a study conducted by our staff, it was revealed that these officers (Under Secretaries and S. Os.) felt over-worked and there is already a demand for more staff. Routine jobs are said to be claiming too much of their time and assistance of an L.D.C. is also being asked. If the Ministry again increases staff according to the 'felt-needs' which have a tendency of being acceded to in the long run, the total number of staff in the new pattern may not be significantly lower than in the previous pattern with an important difference of the higher level officers being more numerous. The Administrative Reforms Department study, however, clearly shows that with appropriate changes in procedures, there is considerable scope for reducing total staff. The tendency to proliferate and acquire higher staff than actually required has to be kept under a very severe check. Similar results also appear in the studies conducted by the Administrative Reforms Department in other departments, e.g., the office of the Chief Controller of Imports and Exports, the Directorate General of Technical Development, the Directorate General of Supplies and Disposals, the C.P.W.D. The recommendations are however, in the initial stages of implementation.

10. Besides a number of other *ad hoc* studies, the Administrative Reforms Department also undertakes orientation and training programmes, to cater to the needs of the State Governments as well as those of the Centre, both for lower and middle executive level.

11. At the individual Ministry and Department level there are O & M Units in each of them which are designed to continually keep under review the performance of Ministries/Departments in their day to day transaction of business, as well as to help solve the difficulties or bottlenecks which come in the way of speed, economy and efficiency in the disposal of their work. The need has been stressed on the Department O & M Units to develop sufficient strength and vigour to provide specialised services to their Ministries/Departments in the matter of location and study of problems and difficulties confronting them. O & M Units in the Ministries are also required to handle work measurement assignments in their Ministries/Departments. However, in view of the fact that in spite of the O & M Units operating in the Ministries for a long time, Staff Inspection Unit are able to suggest sizeable cuts, it appears that these units have not even been able to keep the expansion of staff under check. The most important reason appears to be the limitation of a junior officer of the Ministry itself in matters involving expansion in which many an individual may be vitally interested at many levels. The other contributory factors are the lack of trained personnel and also lack of a definite programme for work simplification and work measurement.

#### ECONOMIES EFFECTED BY THE S. I. U.

	*1961-62	*1962-63	†1963-64	†1964-65	†1965-66	*1966-67 (6 months)
1. Total No. of Ministries/Offices inspected	14	21	25	32	35	27
2. Total amount of economies						
(i) located by S.R.U./S.I.U.	29.12	21.41	35.38	—	—	—
(ii) accepted by Ministries/Offices	10.11	5.18	14.98	43.02	39.45	58.85



	*1961-62	*1962-63	†1963-64	†1964-65	†1965-66	*1966-67 (6 months)
(iii) additional staff proposals not approved by S.R.U./S.I.U.	16.56	10.26	36.93	31.43	59.20	62.82
(iv) total of (ii) and (iii)	26.67	15.44	51.91	74.45	98.55	121.67
3. Expenses incurred on pay and allowances of S.R.U./S.I.U. establishment	—	3.58	2.78	3.38	5.38	3.28
4 Posts declared surplus by the S. I. U.						
Class : I				9	27	39
II		Figures not readily available		225	194	138
III				904	753	1232
IV				54	119	105
TOTAL				1192	1123	1514

\*Figures w. e. f. calendar years.

†Figures w. e. f. financial years.

NOTE :—Economies and expenses shown in lakhs of rupees per annum.

(Source: Ministry of Finance (Expenditure Department))

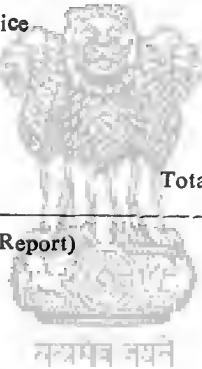
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**ANNEXURE 3(1)**  
**(Para 3.51)**

*The All India Services as on 1-1-1924*

Services	Sanctioned Strength	Actual Numbers
Indian Civil Service	1,350	1,290
Indian Police Service	732	739
Indian Forest Service	399	348
Indian Educational Service		
(Men)	379	309
(Women)	42	36
Indian Agricultural Service	157	109
Indian Veterinary Service	54	38
Indian Forest Engineering Service	18	17
Indian Medical Service (Civil)	420	373
Indian Service of Engineers	728	716
Total .	4,279	3,975

(Source : Lee Commission Report)



# ANNEXURE 3(2)

(Para 3.88)

Statement showing State Allotments of IAS Officers (1961—65)

## STATES ALLOTTED

	J & K Punjab H.P. & Delhi Rajasthan	M. P. U. P.	Bihar W. B. Orissa Assam	Gujarat Maharashtra	A.P. Kerala Madras Mysore	Total
	1	2	3	4	5	6
J. & K.	68	20	7	14	5	114
H.P. & Delhi (60.7)		(24.4)	(5.2)	(15.2)	(5.3)	(22.1)
Punjab						
Rajasthan						
M.P.	17	38	15	10	3	83
U.P.	(15.2)	(46.3)	(11.2)	(10.9)	(3.1)	(16.1)
Bihar	15	10	97	14	5	141
W.B.	(13.4)	(12.2)	(72.4)	(15.2)	(5.3)	(27.4)
Orissa						
Assam						
Gujarat	4	4		17	1	26
Maharashtra (3.6)		(4.9)		(18.5)	(1.0)	(5.1)
A.P.	8	10	15	37	81	151
Kerala (7.1)		(12.2)	(11.2)	(40.2)	(85.3)	(29.3)
Madras						
Mysore						
Total	112	82	134	92	95	515
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

(Source : Ministry of Home Affairs)

**ANNEXURE 3(3)**  
(Para 3.88)

*Statement showing State Allotments of IPS Officers (1961—65)*

**STATES ALLOTTED**

	J & K Punjab H.P. & Delhi Rajasthan	M. P. U. P.	Bihar W.B. Orissa Assam	Gujarat Maharashtra	A.P. Kerala Madras Mysore	Total
	1	2	3	4	5	6
J. & K.	52	24	8	14	2	100
Punjab	(71.2)	(25.5)	(9.8)	(32.6)	(3.3)	(28.4)
H.P. & Delhi						
Rajasthan						
M.P.	16	37	10	5	1	69
U.P.	(21.9)	(39.4)	(12.4)	(11.6)	(1.6)	(19.2)
Bihar	3	24	57	4	3	91
W.B.	(4.2)	(25.5)	(70.4)	(9.3)	(4.8)	(26.0)
Orissa						
Assam						
Gujarat	..	2	..	8	2	12
Maharashtra	..	(2.2)	..	(18.6)	(3.3)	(3.4)
A.P.	2	7	6	12	54	81
Kerala	(2.7)	(7.4)	(7.4)	(27.9)	(87.0)	(23.0)
Madras						
Mysore						
Total	73	94	81	43	62	353
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

(Source : Ministry of Home Affairs)

## ANNEXURE 3(4)

(Para 3.120)

### *Scheme for staffing Senior Administrative Posts of and above the rank of Deputy Secretary under the Government of India.*

#### PART I

1. Object—This scheme is intended to provide for systematic arrangements for manning senior administrative posts at the Centre of and above the rank of Deputy Secretary.

2. Sources—(i) Such posts will ordinarily be manned by officers of one or other of the following categories:—

- (a) Officers borrowed from the State Cadres of the IAS and from other Class I Services of the States (other than the State Civil Service) on tenure deputation;
- (b) Officers borrowed on tenure deputation from Central Services, Class I including officers serving in Public Industrial Undertakings (hereinafter referred to as Central Services);
- (c) Officers of the Selection Grade of the Central Secretariat Service;
- (d) Officers of the Central Administrative Pool (*vide* Part II);
- (e) State Civil Service Officers whose names are included in the Select List referred to in regulation 7(3) of the IAS (Appointments by Promotion Regulations; and
- (f) State Civil Service Officers other than those mentioned in (e) may also be appointed to senior posts in consultation with the Union Public Service Commission in each case.

(ii) In addition to senior administrative posts in the Central Secretariat and attached offices, such number of field posts, normally manned by officers of the particular field service concerned, as may, from time to time, be specified, in consultation with the controlling authorities of these Services, may also be held on a tenure basis by officers drawn from the IAS or any of the Central Service referred to in (i) above.

3. Controlling Authority—The Ministry of Home Affairs advised by the Central Establishment Board will be the Controlling Authority for purpose of the scheme.

4. Central Establishment Board—(i) The Central Establishment Board shall consist of the Cabinet Secretary as the Chairman (*ex-officio*), Home Secretary as Member (*ex-officio*), a Finance Secretary and three other Secretaries.

(ii) Each Member will hold office for one year or until he is replaced in accordance with a suitable system of rotation.

(iii) The Establishment Officer to the Government of India whose duties have been set out in the Ministry of Home Affairs Office Memorandum No. 33(17)LO/51, dated the 12th May, 1951, will be the Secretary of the Board.

5. Reference to the Appointments Committee of the Cabinet—Appointments of individual officers from any of the sources mentioned above to posts covered by the scheme shall be made on the advice of the Central Establishment Board and with the approval of the Appointments Committee of the Cabinet.

## PART II

## TENURE DEPUTATION

6.(i) Suitability—The suitability of officers for appointment on tenure deputation shall be decided on the advice of the Central Establishment Board.

(ii) Correspondence.—All correspondence with the State Governments, the Controlling Authorities of the Services concerned and the Ministries at the Centre for the loan of officers shall be conducted by the Establishment Officer.

7. Periods of tenure.—(i) Officers who are borrowed for appointment to posts of or equivalent to Deputy Secretary will ordinarily revert to the parent State Cadre or Service on the expiry of four years and officers who are borrowed for appointments to posts of or equivalent to Joint Secretary and Secretary will similarly revert on the expiry of a period of five years.

(ii) In exceptional circumstances, however, where the public interest so demands the tenure of an individual officer in the same post or any other post or class of posts may be extended or curtailed with the concurrence of the lending authority.

## PART III

## CENTRAL ADMINISTRATIVE POOL

8. Purpose and Constitution.—(i) In order to build up a reserve of officers with special training and experience for purpose of economic administration and for maintaining continuity of knowledge and experience in the field of general administration, a Central Administrative Pool of officers shall be constituted.

9. The characteristic feature of posts connected with economic administration is that the holders need an understanding of economic affairs as well as capacity for and experience of administration, *i.e.* of handling men and affairs with tools and techniques of the Governmental machinery. The relative emphasis on these two requirements varies as between the different categories of posts listed above, but broadly they all require either:—

(a) administrators who have acquired training and experience in economic matters; or

(b) economists who have acquired training experience in administration.

Type (a) has been almost exclusively used hitherto. When the Planning Commission's recommendations have been fully implemented, persons of type (b) will be inducted into the service.

10. Strength and Composition.—(i) The authorised permanent strength of the Pool will be determined from time to time by the Controlling Authority in consultation with the Ministry of Finance and so far as may be in consultation with the State Government taking into account the man-power requirements of the Government and the availability of suitable officers.

(ii) The initial total strength will be about 120. In addition, up to 20 officers may be on training or trial preparatory to absorption in the Pool.

(iii) The Pool will be composed of officers of the following categories:—

(a) Officers of the IAS permanently seconded to Pool;

(b) Officers of the Central Services permanently seconded to the Pool;

(c) Grade I Officers of the Central Secretariat Services selected for the Pool;

(d) Persons with specialised qualifications directly recruited from the open market at higher age levels; and

(e) Officers of State Services Class I.

11. Probation—No Officer would, normally, be confirmed in the Pool until he has served for a tenure period under the Central Government, provided that the controlling authority may dispense with, reduce or extend this period in individual cases.

12. Confirmation—After confirmation, every officer will be retained for continuous service as member of the Pool. His lien on the parent State Cadre or Service will be suspended and he will be given a lien against the permanent strength of one or other of the following grades;

Grade I—(Officers of this grade will hold posts not lower in rank than Joint Secretary to the Government of India);

Grade II—(Officers of this grade will hold posts lower in rank than Joint Secretary but not below the rank of Dy. Secretary to the Government of India).

The strength of each Grade will be determined by the Controlling Authority in consultation with the Ministry of Finance from time to time.

NOTE I—In the case of officers of the Indian Administrative Service who are permanently seconded to the Pool, the resultant vacancies in the State Cadre may be filled by the State Government by direct recruitment or by promotion from the State Civil Services, as the case may be, in accordance with the Indian Administrative Service (Recruitment) Rules, 1954.

NOTE II—An officer permanently seconded to the Pool may either at his own request or at the discretion of the Controlling Authority and in consultation with the lending authority be returned by the Controlling Authority to the parent cadre or service at any time before his retirement, provided that the Controlling Authority is prepared in return to take another officer from the same cadre or service to the Pool so as to leave the strength and management of the parent cadre or service unaffected. On such reversion or at the time of retirement, the officer's suspended lien on his parent cadre or service will be revived.

NOTE III—The Central Government may at any time, in consultation with the State Government, make available to the latter the services of officers of the Pool for a term of one to three years, on reverse deputation, provided that the officers, who are absorbed in the Pool before completing 18 years of service, will ordinarily be so reverted for the periods mentioned above.

13. Selection—(i) Selecting Authority:—Selection of officers of IAS and Central Services and of Grade I officers of the Central Secretariat Service and State Services Class I for appointment to the Pool will be made by a Committee of Senior Secretaries which shall include the Cabinet Secretary, one representative of the Central Services and will be presided over by the Chairman, Union Public Service Commission.

(ii) (1) Field of Selection in respective categories (a), (b), (c) and (e) of sub-para 3 of para 10 above will ordinarily be made from two levels of seniority. Officers of the IAS, the Central Services and State Civil Services Class I will be drawn either:—

- (a) from the level of seniority represented by officers between 8-12 years of service, or
- (b) from the level of seniority of and above 15 years of service,
- (c) officers holding substantive posts either under the Central or under the State Governments, who have completed 8 years service in Class I or equivalent posts and are not above the age of 45.

(2) Grade I officers of the Central Secretariat Service holding or considered fit for appointment to posts of or equivalent to Deputy Secretary may be appointed to the Pool according to suitability.

(iii) No precise ratio as between the various services will be prescribed. Officers who in the opinion of the Selecting Authority are best suited for the Pool shall be selected.

(iv) No officer of the IAS or Central Service may be appointed to the Pool without his consent and that of the lending authority.

(v) The existing members of Finance-Commerce Pool Cadre will be given the option to be exercised by stated date to accept appointment to the Central Administrative Pool or to be treated as on tenure deputation.

14. Direct recruitment of open market candidates—The principles and method of selection of the direct recruits mentioned in paragraph 10(iii) (d) will be as follows:—

- (i) Rate of recruitment—Recruitment of this type is intended to be experimental. Subject to suitable candidates being available, it is proposed to recruit as soon as possible and annually thereafter not more than five persons each year.
- (ii) Qualifications—The candidates will be required to possess high academic qualifications in Economics and should have also some experience in business, commerce, banking, industry or other allied professions or in teaching or in field research in Economics likely to be of value in the Indian context.

The recruiting authority will also have to satisfy itself that the candidates possess the qualities of character and personality which are necessary for persons appointed to senior or responsible posts connected with economic administration.

- (iii) Age—The field of selection will be confined to candidates who are not less than 25 years of age and not more than 35 years of age on the 1st day of January of the year in which the selection takes place. Preference may be given to candidates between the age of 27 and 33.
- (iv) Appointment Authority—Appointment at the initial constitution of the Pool will be made by the Ministry of Home Affairs on the advice of the Recruitment Board to be set up under the scheme of Special Recruitment to the Indian Administrative Service—

Conditions of Service : (i) Pay—The Pay of the officers of the Pool will be as follows:—

- (a) Officers confirmed in Grade I (in respect of officers to whom the prescribed scales of Pay apply) Rs. 2,250/- or the prescribed pay of the post held, whichever is higher.
- (b) Grade II (1) officers of the IAS and Central Services. The same pay as they would be entitled to while holding the same or equivalent posts on tenure deputation.

NOTE:—Officers confirmed in Grade I will not, except in exceptional circumstances and with the concurrence of the Ministry of Finance, be appointed to posts equated to Grade I posts.

Officers eligible for the old or protected rates of pay shall continue to receive such rates of pay on appointment to the post. The rates of pay drawn by the members of the existing Finance-Commerce Pool cadre shall be protected on their appointment to the new post.

(2) Officers of the Central Secretariat Service appointed to the Pool will draw pay in the scale of Rs. 1100-50-1300-1600-100-1800 or prescribed pay of the post held, whichever is higher.



(3) The pay of a direct recruit will be fixed in the following scale at a stage as may be recommended by the Recruitment Board after taking into consideration the candidate's age, experience and previous emoluments, if any:

**Junior Scale—Rs. 600—40—800—50—1150.**

**Senior Scale—Rs. 1100—50—1300—60—1600—100—1800.** provided that an officer in the senior scale appointed to a post the prescribed pay of which is higher shall be entitled to the higher pay.

(ii) **Leave**—The direct recruits will be governed by the Revised Rules applicable to the Central Service Class I. All other officers will be governed by the leave rules applicable to them as members of the service to which they belong.

(iii) **Pension**—Direct recruits will be governed by the new pension code. All other officers will be governed by the pension rules applicable to the services to which they belong.

(iv) **Age of retirement**

(a) For direct recruits

55 years

(b) For others

as applicable, to the officers' parent service.

Provided that no officer borne on the Pool Cadre will be guaranteed continuance in the Pool on the attainment of the age of 55.

(v) **Training**—Every officer selected for appointment to the Pool will be required to undergo such training as may be prescribed for him by the Central Establishment Board. This will be designed to give him the necessary background and variety of experience to fit into economic administration and may in the case of officers who have not State experience, include a period of service under the State Governments.

(Source: Ministry of Home Affairs)



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# ANNEXURE 3 (5)

(Para 3.102)

*Table showing the grades in State Civil Services and Promotion Opportunities*

State	Scale of Pay			No. of posts			
	I	II	III	I	II	III	Total
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.				
(1) Mysore	350-£00	900-1300	—	151	12	—	163
(2) West Bengal	325-1000	1,175	—	485	15	—	500
(3) Madras	375-£00	850-1000	—	207	17	—	224
(4) Maharashtra	350-900	—	—	223	—	—	223
(5) Orissa	260-780	690-£60	£00-1200	579	28	70	677
(6) Madhya Pradesh	300-850	700-950*	—	431	20*	—	451
(7) Gujarat	370-1100	—	—	133	—	—	133
(8) Delhi, Himachal Pradesh	375-800	900-1200	—	169	18	—	187
(9) Kerala	375-800	—	—	60	—	—	60
(10) Rajasthan	285-300	550-1100	900-1500	448	78	26	552
(11) Andhra Pradesh	375-800	700-1100	—	106	26	—	132
(12) Punjab	300-850	900-1200	—	378	38	—	416

(Source : State Governments)

\*Proposed

No. of officers				Promotion posts in IAS	No. of promotees in IAS	No. of years put in the State Civil Service by the junior-most officers	
I	II	III	Total			promoted to sl. grade	promoted to IAS
9	10	11	12	13	14	15	16
(1) 234	37	—	271	24	18	22	18
(2) NA	NA	—	468	29	28	25	13
(3) NA	NA	—	231	29	27	9	10
(4) 452	—	—	452	34	23	—	25
(5) 563	—	97	660	29	29	11	15
(6) 451	—	—	451	34	32	—	17
(7) 170	—	—	170	29	22	—	13
(8) NA	NA	—	138	14	14	12	16
(9) 60	—	—	60	14	12	—	11
(10) NA	NA	NA	496	24	24	26	18
(11) NA	NA	—	132	—	—	NA	16
(12)			416			13	19½

# ANNEXURE 4

(Para 4.7)

## Distribution of I. A. S. Candidates According to University

University	1960	1961	1962	1963	1964	Total	Percentage
Agra . . .	4	6	1	2	8	21	4.04
Aligarh . . .	—	—	1	—	—	1	0.19
Allahabad . . .	5	6	4	9	11	35	6.73
Andhra . . .	2	4	1	2	5	14	2.69
Annainalai . . .	1	—	1	—	—	2	0.39
Banaras . . .	2	1	1	1	2	7	1.35
Baroda . . .	—	1	—	—	—	1	0.19
Bhagalpur . . .	—	—	—	—	1	1	0.19
Bihar . . .	—	—	—	—	2	2	0.39
Bombay . . .	2	2	1	2	2	9	1.73
Burdwan . . .	—	—	—	—	—	—	—
Calcutta . . .	11	10	8	17	17	63	12.11
Delhi . . .	6	10	17	25	20	78	15.00
Gauhati . . .	4	3	4	5	6	22	4.23
Gorakhpur . . .	—	—	—	—	—	—	—
Gujarat . . .	—	—	—	1	—	1	0.19
Indira Kala Sangeet . . .	—	—	—	—	—	—	—
Jabalpur . . .	—	1	1	1	—	3	0.58
Jadavpur . . .	—	—	—	—	—	—	—
Jammu and Kashmir . . .	1	—	—	—	—	1	0.19
Jodhpur . . .	—	—	—	—	—	—	—
Kalyani . . .	—	—	—	—	—	—	—
Karnatak . . .	—	—	—	—	—	—	—
Kerala . . .	2	3	9	3	5	22	4.23
K. S. Darbhanga . . .	—	—	—	—	—	—	—

## ANNEXURE 4—Contd.

University	1960	1961	1962	1963	1964	Total	Percentage
Kurukshetra .	—	—	—	—	—	—	
Lucknow .	2	3	4	5	4	18	
Ludhiana Agri- culture	—	—	—	—	—	—	
Madras . .	19	20	15	9	12	75	14.42
Magadh . .	—	—	—	—	—	—	
Marathwada .	—	—	—	—	—	—	
Mysore . .	2	1	2	—	4	9	1.73
Nagpur . .	2	—	1	1	—	4	0.77
North Bengal .	—	—	—	—	—	—	
Orissa (Agr. & Tech.)	—	—	—	—	—	—	
Osmania . .	1	2	—	2	—	5	0.96
Punjab . .	10	14	8	9	10	51	9.80
Patna . .	3	3	3	4	2	15	2.88
Punjabi . .	—	—	—	—	—	—	
Ravindra Bha- rati	—	—	—	—	—	—	
Rajasthan .	—	—	—	3	5	8	1.54
Ranchi . .	—	—	—	—	—	—	
Roorkee . .	—	—	—	—	—	—	
S. V. Vidya- peeth	—	—	—	—	—	—	
Saugar . .	—	—	—	1	1	2	0.39
S. N. D. T. .	—	—	—	—	—	—	
Shri Venkate- swara	—	1	—	—	1	2	0.39
Udaipur Agri. .	—	—	—	—	—	—	
U. P. Agri. .	—	—	—	—	—	—	
Utkal . .	3	7	4	5	5	24	4.62
Varanasiya San- skrit	—	—	—	—	—	—	
Vikram . .	—	—	—	1	1	2	0.39

## ANNEXURE 4—Concl'd.

University	1960	1961	1962	1963	1964	Total	Percentage
Visva Bharati .	—	—	—	—	—	—	
Dacca .	—	—	—	—	—	—	
Karachi .	—	—	—	—	—	—	
Lahore .	—	—	—	—	—	—	
Rajputana .	3	1	3	—	—	7	1.35
Rangoon .	—	—	—	—	1	1	0.19
Cambridge .	—	—	—	—	1	1	0.19
London .	—	—	—	2	1	3	0.58
INSTITUTIONS DEEMED TO BE UNIVERSITIES							
Gurukul Kangri .	—	—	—	—	—	—	
I. A. R. I. .	—	—	—	—	—	—	
I. I. S. .	—	—	—	—	—	—	
I. S. I. S. .	—	—	—	—	—	—	
I. I. T. .	—	—	—	1	—	1	0.19
Kharagpur	—	—	—	—	—	—	
Aurobindo Int. .	—	—	—	—	1	1	0.19
Centre of Edu.	—	—	—	—	—	—	
Jamia Millia .	—	—	—	—	—	—	
Islamia	—	—	—	—	—	—	
Total	87	99	90	115	129	520	100.00

(Source : Ministry of Home Affairs.)

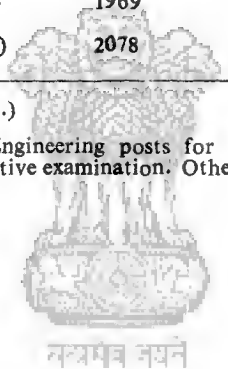
**ANNEXURE 4(1)**  
(Para 4.12)

*Recruitment through combined Engineering Services Examination  
conducted by the U.P.S.C.*

Year	No. of posts	No. of applications	No. appeared	Total inter-viewed	No. of candidates
1957-58	75 (223)*	1231	871	497	99
1958-59	56 (483)	1852	1121	499	95
1959-60	118 (415)	1975	943	400	160
1960-61	157 (581)	1683	873	449	175
1961-62	375 (963)	1674	861	397	333
1962-63	303 (1738)	1631	955	546	372
1963-64	364 (2026)	1837	1063	545	355
1964-65	377 (1214)	1969	1024	751	402
1965-66	377 (N.A.)	2078	1147	754	413

(Source : U.P.S.C. Reports.)

\* In the brackets are the Engineering posts for which recruitment has been made otherwise than through competitive examination. Other details regarding No. of applications etc. are not available.



# ANNEXURE 4(2)

(Para 4.15)

*Statement showing the number of persons on deputation to other Services (1956)*

Services	Cadre strength	Total No. of officers in position	Deputation			Persons on Deputation
			Quota	Reserve	Total	
			(a)	(b)	(c)	
1	2	3	4	5	6	7
1. IA & AS	598	508	—	123	123	275
2. ICCES	377	346	—	—	—	31
3. IDAS	190	167	—	—	—	56
4. IRS	1381	1173	—	—	—	84
5. IRAS	313	257	—	—	—	66
6. IL & CS	77	74	—	—	—	4
7. CIS	245	210	—	29 (Incl. Leave reserve & Deputation quota)	—	26
8. ISSt	243	160	—	—	—	57
9. IES	416	259	—	—	—	74
10. IAS	2575	2216	499	259	758	728
11. IPS	1379	1277	222	107	329	331
12. ISS	139	92	—	—	—	12
13. IIS	127	120	—	—	—	—
14. IMetS	108	97	—	—	—	8
15. GCS,ITM	25	18	—	—	—	—
16. CES	333	308	—	—	—	119
17. CEIEngS	78	62	—	—	—	7
18. EED (Rly)	326	213	—	—	—	21
19. SD (Rlys)	230	169	—	—	—	24
20. S&TD (Rly)	258	199	—	—	—	21
21. CE (Rlys)	975	677	—	—	—	131
22. IRSME	659	557	—	—	—	154
23. IRTS	673	643	—	—	—	218
24. IPosS	279	274	—	20	20	15

(Source : Ministries concerned)

**ANNEXURE 4(3)****(Para 4.15)*****Some of the Service cadres which made no provision for training and leave reserve***

		<b>Training Reserve</b>	<b>Leave Reserve</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1.	ICCE	Provision exists	No provision
2.	IDAS	Reservation not specified.	Reservation not specified.
3.	IRS	Provision exists.	Reservation in Class II only.
4.	IRAS	No provision	Provision exists.
5.	IL & CS	do	No provision.
6.	CSS	do	do
7.	CRCS	do	Provision exists.
8.	ISS	Provision exists	No provision
9.	IIS	do	do
10.	EED (Rlys)	No provision	Provision exists.
11.	S & TD (Rlys)	do	do
12.	SD (Rlys)	do	do
13.	CED (Rlys)	do	do
14.	IRSME	do	do
15.	IRTS	do	do

**(Source : Ministries concerned)**



**ANNEXURE 4(4)****(Para 4.16)****Statement showing Gaps in certain cadres (1966)**

Services	Total authorised strength	Officers in position	Gap in cadres	Percentage of Gap to Auth. Strength	Annual Growth Rate Per cent
1	2	3	4	5	6
1. IA & AS	598	508	90	15.4	2.1
2. IDAS	190	167	23	12.1	4.0
3. IRS	1381	1173	208	15.1	7.3
4. IRAS	313	257	56	17.9	5.4
5. IAS	2575	2216	359	13.9	5.6
6. IPS	1379	1277	102	7.4	2.8
7. ElEngD (Rlys)	326	213	113	34.7	13.3
8. S & TD (Rlys)	258	199	59	22.9	8.3
9. SD (Rlys)	230	169	61	26.5	6.8
10. CEngD (Rlys)	975	677	298	30.5	4.2
11. IRSMEnga	659	557	102	15.5	7.8
12. IRTS	673	643	30	4.5	4.4

**(Source : Ministries concerned)**

**ANNEXURE 4(5)****(Para 4.16)***Statement showing the intake of direct recruitment in certain cadres*

Services	1961	1962	1963	1964	1965	1966
1	2	3	4	5	6	7
1. LA & AS	16	22	12	12	11	13
2. IDAS	7	7	7	9	8	6
3. IRS	32	30	35	55	57	65
4. IRAS	14	14	13	14	7	—
5. IAS	87	99	90	115	129	138
6. IPS	64	73	74	73	74	88
7. EED (Rlys)	3	12	8	29	23	13
8. SD (Rlys)	3	6	10	3	13	8
9. S & TD (Rlys)	5	6	16	10	6	6
10. CED (Rlys)	25	46	36	28	51	33
11. IRSME	37	34	30	35	20	4
12. IRTS	22	22	29	35	38	31

**(Source : Ministries concerned)**

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**ANNEXURE 4(6)**  
(Paras 4.18 & 4.19)

*Statement showing Gaps in Junior/Entry Scale in certain Cadres (1956)*

Services	Total auth. strength	Junior/ Entry scale posts	Junior/ Entry scale officers in position	Gap in Junior Entry posts	Percentage of Gap in Junior/Entry scale posts as compared to	
					Auth. Strength	Junior/ Entry scale posts
1	2	3	4	5	5(a)	6(b)
1. IA & AS	598	519	276	243	40.6	47.0
2. IDAS	190	165	110	55	28.9	33.3
3. IRS	1381	1065	810	255	18.5	24.0
4. IRAS	313	131	57	74	23.6	56.5
5. IAS	2575	561	440	121	4.7	21.6
6. IPS	1379	314	261	53	4.0	20.3
7. ElEnggD (Rlys)	326	147	35	112	34.3	76.2
8. SD (Rlys)	230	102	22	80	34.8	78.4
9. S & TD (Rlys)	258	101	34	67	26.0	66.3
10. CEnggD (Rlys)	975	478	98	380	39.0	79.5
11. IRSMEngs	659	318	66	252	38.2	79.2
12. IRTS	673	355	85	270	40.1	76.0

(Source : Ministries concerned)

## ANNEXURE 4(7)

(Para 4.20)

### *Some Aspects of Cadre Management*

Let a cadre consist of a number of grades, say, (a), (b), (c), (d), ..., the number of posts in each grade being A, B, C, D..., respectively. Let these grades be arranged in hierarchical order such that (b) is higher than (a), (c) higher than (b), and so on. The total strength of the cadre is N such that

$$A+B+C+D+\dots=N$$

We also assume that—

- (i) recruitment to the entire service is done in the lowest grade and all positions in a higher grade are filled by promotion from the next lower grade; and
- (ii) the strength of the cadres is stationary and it has been so managed over a period that the rate of intake and wastage is constant. This may be called as a 'Steady state'.

The following are some of the properties of this cadre structure:

**PROPOSITION 1:—***The rate of intake is independent of the internal structure and is a function of N.*

The total wastage in all grades is independent of the relative values of A, B, C, ... and thus is a function of N. Intake balances wastage in a steady state, hence it will itself be a function of N.

**PROPOSITION 2:—***'Promotion Quotient' in any grade is independent of the structure of higher grades and is a function of the strength of the concerned grade and the total strength in all higher grades.*

We define 'Promotion Quotient' as the probability of promotion from a grade to the next higher grade.

As all promotions are made from the next lower grade, a promotion opportunity in any one grade is reflected in all the lower grades. Thus, for the purposes of promotion, it is the total strength of all higher grades which is relevant. Any opportunity in a lower grade obviously does not affect the higher grades. Thus, it can be easily seen that

$$\text{Promotion Quotient in grade (a)} = Q_a = \frac{B+C+D+\dots}{N} = 1 - \frac{A}{N}$$

$$\text{Similarly, } Q_b = \frac{C+D+\dots}{B+C+D+\dots} = 1 - \frac{B}{B+C+D+\dots}$$

$$\text{and } Q_c = \frac{D+\dots}{C+D+\dots} = 1 - \frac{C}{C+D+\dots}$$

**PROPOSITION 3:—***If 'n' is the total average working period in the cadre, average time an officer is expected to spend in each grade, is*

$$\frac{nA}{N}, \quad \frac{nB}{N}, \quad \frac{nC}{N}, \quad \dots$$

**PROPOSITION 4:—***Promotion Quotient increases if (i) the total strength in one or more of the higher grades together increases at a faster rate than in the concerned grade or, (ii) the strength in the concerned grade gets reduced proportionate to that in one or more of the higher grades.*

**NOTE:** This change may be brought about explicitly by actual change in respective strengths or implicitly by some other measures. For example, promotion quotient is increased by—

- (i) not providing various reserves which are generally built in the lowest grade—thus, in effect having the actual strength in the lowest grade *less* than what it should be; or
- (ii) by manning positions not included in the cadres or not provided for by deputation quotas or reserves. These positions are generally not in the entry grade but in the higher grades; thus, in practice, the effective number of higher positions is increased.

**PROPOSITION 5:—** *Selectivity and average tenure in higher grades are inversely proportional to each other.*

Suppose, in a two-grade cadre, officers in grade (a) are considered for promotion to (b) only *once* after  $r'$  years of service in that grade, those promoted will be in higher grade for  $r$  years, where  $r+r'=n$ . It can be easily seen that the average intake in grade (a) is  $\frac{A+B}{n}$  and the numbers promoted from (a) to (b) is  $\frac{B}{r}$ . If  $s$  is the selectivity i.e.,  $s$  is the probability of selection of every officer in grade (a),

$$s \cdot \frac{A+B}{n} = \frac{B}{r}$$

$$\text{or } s \cdot r = \frac{Bn}{A+B} = \text{constant.}$$

The same relationship applies even if there are more than one higher grades by virtue of *Proposition 2*.

**DEDUCTION:—** *If, in a cadre, early promotions are desirable, selectivity will have to be high. For lower selectivity, the date of consideration for promotion will have to be postponed.*

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# ANNEXURE 4(8)

(Para 4·32)

*Statement showing the method of recruitment in some services as Senior and Junior Class I levels: Method and the quantum of Recruitment*

Name of service or cadre	A (Rs. 700-1250)	B (Rs. 400-950)	C (Rs. 350-900)	Remarks
Chemists and Geophysists in G.S.I.	100% P	50% P 50% D	25% P 75% D	
CPWD Arch. & GEngS	66⅔% P from B 33⅓% P from A	100% D	25% P 75% D	£-Basic qualification identical for B&C but 2 yrs. exp. essential for B grade.
CWPC	50% T 50% P	25% T 15% P 40% P	100% P	
TES	P	50% P 50% D	100% P	
RAS	P	33⅓% P 66⅓% D	100% P	
Other Railway services	66⅔% P from B 33⅓% P from A	100% D	100% P	

P —stands for promotion from the next lower grade unless otherwise stated.

D—stands for direct recruitment.

T —stands for Transfer and for deputation from other services.

(Source: Recruitment Rules of concerned Services.)

# ANNEXURE 4(9)

(Para 4.33)

*Statement showing composition of cadres of various all-India and Central Services according to the source of recruitment and gaps therein (1966)*

Services	Autho- rised Strength	Direct Recruitment		Promotions		Gaps		Re- marks
		Quota	In position	Quota	In position	Direct Rec.	Promo- tion	
1	2	3(a)	3(b)	4(a)	4(b)	5(a)	5(b)	6
1. IAS . .	2575	2131	1831	444	385	300	59	..
2. IPS . .	1379	1140	1070	239	207	70	32	.
3. IA&AS . .	598	491	401	107	107	30	..	..
4. IDAS . .	190	75% of vacancies	124	25% of vacancies	43		23	..
5. IRS . .	1381	$\frac{1}{2}$ of vacancies	609	$\frac{1}{2}$ of vacancies	564		203	..
6. IRAS . .	313	—do—	201	—do—	56		56	..
7. IRSEIEngs . .	326	66 $\frac{1}{2}$ % of permanent vacancies	182	33 $\frac{1}{2}$ % of permanent vacancies	31		113	Shortage made good by promo- ting Cl. II/ III staff and appointing Temporary officers.
8. SD (Rlys) . .	230	—do—	135	—do—	34		61	
9. S & TD (Rly) . .	258	—do—	148	—do—	51		59	
10. IRSCEngs . .	975	—do—	525	—do—	152		298	
11. IRSMEngs . .	659	—do—	455	—do—	102		102	
12. IRTS . .	673	—do—	513	—do—	130		30	

(Source : Ministries concerned)

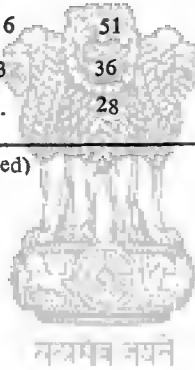
# ANNEXURE 4(10)

(Para 4·36)

*Statement showing the number of officers promoted to certain cadres(1961—66)*

Services	1961	1962	1963	1964	1965	1966
1. IA & AS . . .	10	22	15	10	5	..
2. IDAS . . .	2	..	2	1	4	2
3. IRS . . .	63	81	..	69	..	50
4. IRAS . . .	7	1	7	6	..	..
5. IAS . . .	36	52	36	26	20	20
6. IPS . . .	21	19	15	5	20	25
7. EED (Rlys) . .	8	14	6	..	7	..
8. SD (Rly) . . .	..	..	6	..	9	..
9. S & TD (Rlys) .	8	13	21	..	8	..
10. CED (Rlys) . .	6	51	26	..	21	17
11. IRSME . . .	23	36	12	..	7	15
12. IRTS . . .	..	28	16	..	27	10

(Source : Ministries concerned)





# ANNEXURE 4(11)

(Para 4-49)

## Statement comparing Pay Structures in certain Services (1966)

Services	Entry and Quasi entry Scale		First Promotion Scale		Second Promotion Scale		Third Promotion Scale		Higher Scales	
	Scales	No. of Posts	Scales	No. of Posts	Scales	No. of Posts	Scales	No. of Posts	Scales	No. of Posts
(1)	2(a)	2(b)	3(a)	3(b)	4(a)	4(b)	5(a)	5(b)	6(a)	6(b)
	Rs.		Rs.		Rs.		Rs.		Rs.	
1. IA & AS	400-1250	519	1300-1600	48	1800-2250	30	3000	1	..	..
2. IDAS	400-1250	165	1300-1600	10	1600-1800	6	1800-2250	8	2750	1
3. IRAS	400- 950 } 700-1250 }	131 135	1300-1600	33	1800-2250	14	..	..	..	..
4. ICCES	400-1250	318	1100-1600	36	1800-2250	23	..	..	..	..
5. IRS	400-1250	1065	1100-1600	286	1800-2250	30	..	..	..	..
6. CIS	400- 950 } 700-1250 }	111 105	1100-1400	9	1300-1600	8	1600-1800	8	1800- 2000, 2250 }	3 1
7. IPostS	400-1250	236	1300-1600	31	1800-2250	12	2500-2700	1	3000	1
8. CEnggS	400- 950 } 700-1250 }	96 194	1300-1800	34	2000	8	2500- 125/ 2-2750	1	..	..
9. CEI-EnggS	400-950 } 700-1250 }	22 48	1300-1800	7	2000	1	..	..	..	..
10. IRSM-Engg	400- 950 } 700-1250 }	318 277	1300-1600	49	1600-1800	3	1800-2250	12	..	..
11. CEngD (Rlys)	400- 950 } 700-1250 }	478 398	1300-1600	65	1600-1800	16	1800-2250 } 1800-2000 }	18	..	..
12. S&TD (Rlys)	400- 950 } 700-1250 }	101 124	1300-1600	21	1600-1800	2	1800-2000	10	..	..
13. SD (Rlys)	400- 950 } 700-1250 }	102 97	1300-1600	20	1800-2000	11	..	..	..	..
14. EIEngD(Rly)	400- 950 } 700-1250 }	147 148	1300-1600	20	1800-2000 } 1800-2250 }	11	..	..	..	..
15. IRTS	400- 950 } 700-1250 }	355 235	1300-1600	57	1600-1800	8	1800-2250	18	..	..
16. IAS	400-1000 } 900-1800 }	561 1750	1800-2000	102	over 2000	162	..	..	..	..
17. IPS	400- 950 } 740-1250 }	316 900	1400	46	1600-1800	117	..	..	..	..
18. IES	400- 950 } 700-1250 }	296 92	1100-1400	14	1300-1800	14	..	..	..	..
19. IS S	400- 950 } 700-1250 }	177 51	1100-1400	7	1300-1800	8	..	..	..	..

(Source : Ministries concerned)

**ANNEXURE 4(12)**  
(Para 4.49)

*Statement showing the Composition of different Cadres from the point of view of Promotional Avenues (1966)*

		Group I (Maximum of less)	Group II (Maximum of Scale Rs. 1000 and less than Rs. 1000)	Group III (Maximum of Scale Rs. 1300 and less than Rs. 1300)	Group IV (Above 1800 or less but more Rs. 1800)
		Percentage	Percentage	Percentage	Percentage
Services		1	1	3	4
		1	1	3	4
I & AS	Posts	..	..	519	31
	Offrs	..	..	291	58
ICES	Posts	..	..	318	23
	Offrs	..	..	269	23
IDAS	Posts	..	..	165	9
	Offrs	..	..	110	21
IRS	Posts	..	..	1085	30
	Offrs	..	..	810	39

IRAS	Posts	131	313	58.1	15.0	4.5	135	182	25.8	7.7	33	47	29.8	14
	Offrs	65	257	74.7	23.0	7.0	133	192	30.7	9.4	41	59	30.5	18
L & CS	Posts	..	..	..	..	..	55	77	28.6	1.3	21	22	4.5	1
	Offrs	..	..	..	..	..	52	74	29.7	1.4	21	22	4.5	1
IECS	Posts	296	416	28.8	6.7	..	92	120	23.3	..	28	28	..	..
	Offrs	148	259	42.9	10.4	..	84	111	24.3	..	27	27	..	..
ISIS	Posts	177	243	27.2	6.2	..	51	66	22.7	..	15	15	..	..
	Offrs	103	160	35.6	8.1	..	44	57	22.8	..	13	13	..	..
CSS	Posts	..	..	..	..	..	445	641	30.6	2.7	179	196	8.7	17
	Offrs	..	..	..	..	..	445	641	30.6	2.7	179	196	8.7	17
CIS	Posts	111	245	54.7	11.8	1.6	105	134	21.6	3.0	25	29	13.8	4
	Offrs	81	210	61.4	11.4	1.9	105	129	18.6	3.1	20	24	16.7	4
CEngS	Posts	96	333	71.2	12.9	2.7	194	237	18.1	3.8	34	43	20.9	9
	Offrs	71	308	76.9	14.0	2.9	194	237	18.1	3.8	34	43	20.9	9
IAS	Posts	561	2575	78.2	78.2	10.3	..	2014	100.0	13.1	1750	2014	13.1	264
	Offrs	440	2216	80.1	80.1	22.9	..	1776	100.0	28.5	1269	1776	28.5	507
IRSME	Posts	318	659	51.7	9.7	1.8	277	341	18.8	3.5	52	64	18.7	12
	Offrs	66	557	88.2	21.0	6.1	374	491	23.8	6.9	83	117	29.1	34
CE (Rlys)	Posts	478	975	51.0	10.2	1.8	398	497	19.9	3.6	81	99	18.2	18
	Offrs	98	677	85.5	24.7	4.7	412	579	28.8	5.5	135	167	19.2	32

## ANNEXURE 4(12)—(Concl'd).

	1	1(a)	1(b)	1(c)	1(d)	2	2(a)	2(b)	2(c)	3	3(a)	3(b)	4
S & TD (Rlys)	101	268	60.9	12.8	3.9	124	157	21.0	6.4	23	33	30.3	10
	34	199	82.9	19.6	6.0	126	165	23.6	7.4	27	39	30.8	1
SD (Rlys)	102	230	55.7	13.5	4.8	97	128	24.2	8.6	20	31	35.5	11
	22	169	87.0	22.5	7.7	109	147	25.9	8.8	25	38	34.2	13
EIE (Rlys)	147	326	54.9	9.5	3.4	148	179	17.3	6.1	20	31	35.5	11
	35	213	83.6	17.8	6.6	140	178	21.3	7.9	24	38	36.8	14
IRTS	355	673	47.3	12.3	2.7	235	318	26.1	5.7	65	83	21.7	18
	85	643	86.7	28.6	5.6	374	558	33.0	6.5	148	184	19.6	36

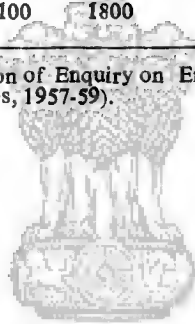
(Source : Ministries concerned.)

**ANNEXURE 4(13)**  
(Paras 4·51 and 4·52)

*Analysis of pay scales of a typical hierarchy in the  
Central Secretariat*

Grade	Min.	Max.	Length of scale	Max. as per cent of Min.	Average increment as per cent of the Min.
LEC . . . . .	110	180	19	164%	3·6
UDC . . . . .	130	280	21	215%	5·4
Assistants . . . . .	210	530	22	252%	7·0
Section Officer : Promotee . . . . .	400	900	17	225%	7·5
Direct Recruit . . . . .	350	900	19	260%	8·5
Under Secretary . . . . .	900	1250	7	139%	5·6
Deputy Secretary . . . . .	1100	1800	11	164%	5·8

(Source : Report, Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59).



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# ANNEXURE 4(14)

(Para 4.51)

## An Illustrative Salary Structure Pay Scales

D <sub>1</sub>			D <sub>2</sub>
	1)	75- 3-105- 5-153	
10	(2)	85- 4-125- 6-173	20
15	(3)	100- 4-140- 7-196	23
15	(4)	115- 5-165- 8-229	33
20	(5)	135- 6-195-10-275	46
25	(6)	160- 8-240-12-336	61
30	(7)	190- 9-280-15-400	64
35	(8)	225-11-335-16-463	63
35	(9)	260-13-390-20-550	87
40	(10)	300-15-450-25-650	100
50	(11)	350-17-520-30-760	110
50	(12)	400-20-600-35-880	120
50	(13)	450-25-700-35-980	100

D<sub>1</sub> & D<sub>2</sub> — denote the difference between the minimum and maximum of two consecutive scales (or first order differences).

Basic characteristics of the illustrative scales are :

- The scales are 18 year scales.
- The mean pay of the higher of any two consecutive scales is about 15 to 20% more than the mean pay of the lower scale, this degree of differentiation being possible in position-values by scientific job-evaluation techniques.
- The first order differences at the lower and the upper limits follow a uniform pattern of gradually increasing progression. Second order differences are generally positive.
- The increment in first half and second half of each scale is about 5% of the minimum and the middle step respectively, thus giving employees at all levels the same benefit.
- Scales are numerous in the lower reaches where the number of employees is very large, and where small absolute differentials are substantial if viewed in relative terms.
- The middle value of a scale corresponds to the actual remuneration level of a position, individual getting less in the first half and more in the second half in view of his varying social responsibility.

## ANNEXURE 4 (14A)

(Para 4-93)

## Employment by different Industry Divisions, 1961 and 1966

Figures are in lakhs

Industry Divisions	March, 1961			March, 1966&			Percentage change		
	Pub.	Pr.	Total	Pub.	Pr.	Total	Pub.	Pr.	Total
1	2	3	4	5	6	7	8	9	10
O-Agri-Live Stock etc.	1.8	6.7	8.5	2.3	8.7@ (8.9)	11.0 (9.2)@	+27.8	+29.9 (3.0)	+29.4 (+8.2)
Mining & Quarrying	1.3	5.4	6.8	1.6	5.0	6.6	+23.1	-9.1	-2.9
2 & 3 : Manufacturing	3.7	30.2	33.9	6.7	35.9	42.6	+81.1	+18.9	+25.7
4 : Construction	6.0	2.4	8.4	7.7	2.2	9.9	+28.3	-8.3	+17.9
5 : Electricity	2.2	0.4	2.6	3.1	0.4	3.5	+40.9	—	+34.6
6 : Trade and Commerce	0.9	1.6	2.5	1.5	2.4	3.9	+66.7	+50.0	+56.0
7 : Transport	17.2	0.8	18.0	21.0	1.1	22.1	+22.1	+37.5	+22.8
8 : Services	37.3	2.8	40.1	49.8	5.2	55.0	+33.5	+85.7	+37.2
TOTAL	70.5	50.4	120.9	93.7	60.9	154.6 (152.8)	+32.8	+20.8 (+17.3)	27.9 (+6.4)

(59.1)@

&amp; The figures of March 1966, exclude employment in the scarcity relief works.

@Figures in brackets are exclusive of employment in plantations and hence comparable.

(Source : Directorate General of Employment &amp; Training)

**ANNEXURE 4(15)**  
(Para 4·94)

***Changing pattern of recruitment through the Union Public Service Commission***

		Engineering Posts		Technical Posts		Others		Total	
		No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
I	1950-51 to 1954-55	1406	26%	2061	40%	1834	34%	5301	100%
II	1955-56 to 1959-60	3051	29%	4421	43%	2878	28%	10350	100%
III	1960-61 to 1964-65	6522	37%	8079	46%	2997	17%	17598	100%

(Source : Annual Reports of U. P. S. C.)



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# ANNEXURE 4(16)

(Para 4.25)

## Structure of Class I Services-Non-Technical and Technical-(1957-59)

### I Non-Technical Services

Service	Junior Time Scale Posts	Posts in Senior Time Scale and above	Total Posts	Junior Time Scale Posts as Percentage of total Posts
1	2	3	4	5
1. IA & AS	204	161	365	55.9
2. IDAS	75	50	125	60.0
3. IRAS	101	107	208	48.6
4. IRS (ITax)	248	474	722	34.3
5. IRS (ICus)	34	24	58	58.6
6. IRS (CExcise)	81	107	188	43.1
7. IPostS	87	62	149	58.4
8. IL & CS	19	33	52	36.5
<b>TOTAL</b>	<b>849</b>	<b>1018</b>	<b>1867</b>	<b>45.5</b>

### II Technical Services (Engineering Officers)

1	2	3	4	5
1. Min. of Def.	422	29	720	58.6
2. Min. of Rly.	764	712	1476	51.8
3. P. & T. Dept.	83	167	250	33.2
4. Min. of I. & P.	111	143	254	43.7
5. in. of WH & S	72	197	269	26.8
6. Min. of Trans. & Com.	103	174	277	37.2
7. Min. of Com. & Ind.	73	103	176	41.5
8. All India Radio	48	26	74	84.9
9. Others	106	131	237	44.7
<b>TOTAL</b>	<b>1782</b>	<b>1951</b>	<b>3733</b>	<b>47.7</b>

(Source : Report of Commission of Inquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59).

## ANNEXURE 4(17)

### Para (4.130)

#### *A Study of pattern of development of I.C.S. and I.A.S. Officers*

In order to study the changes, if any, in the deployment of I.C.S. and I.A.S. officers spread over a period of more than two decades a sample case study has been done. The sample consists of four batches of I.C.S. officers for the years 1930, 1935, 1940 and 1943, and three batches of I.A.S. officers for the years 1948, 1950 and 1952. In all, data are available for 41 I.C.S. officers and 99 I.A.S. officers. All the I.C.S. officers were in the super-time scale at the time of collection of data relating to these officers. Only 19 I.A.S. officers belonging to 1948 batch were in the super-time scale and the rest of the I.A.S. officers were in the senior scale.

#### *Present posting pattern :*

It is of interest to know where the officers recruited for Civil/Administrative Service during the years selected for this study are currently employed (*i.e.* during 1966). Postings in various capacities have been classified according to the type of administrative work they have been entrusted with and the nature of their posting. The following are the broad groups in which the administrative work has been divided:

1. Agricultural Administration.
2. Social and Educational Administration.
3. Commercial Administration.
4. District Administration.
5. Economic Administration.
6. Financial Administration.
7. General Administration.
8. Industrial Administration in Public Undertakings.
9. Industrial Administration in Government.
10. Miscellaneous.

#### *Types of Administrative work*

Table 1 enables us to ascertain as to how many of these officers were employed in different types of administrative postings. The officers engaged in general administration, comprising jobs concerning maintenance of law and order, services, internal political affairs and special assignments as Municipal Commissioners, Chief Secretary etc., formed 15% of those selected for the study. Economic administration comes next as 14% are engaged in it and an equal percentage of officers are entrusted with Financial and Miscellaneous administration. Nearly 13% are occupied in Agricultural administration, 11% in Social and Educational administration, while the remaining 19% are distributed among other types of administrative work (including 10% in Public Undertakings). Table 1 shows the data in greater detail by types of administration and cohorts of recruitment.

#### *Distribution of time spent in different types of Administration*

The analysis of time distribution may be done in different ways but the best overall view of the diversified activities of the officers may be obtained from the combined data for all the types of distribution separated by cohorts. It is found that the

distribution of time undergoes a radical change with the development of career and the passage of time. For the purpose of analysis the career of I.A.S. and I.C.S. officers has been divided into five stages. The first stage of five-year span is followed by two stages each of 7 years duration and another set of two stages of 8 years each to account for the total service of 35 years of the officers under consideration.

Several trends may be observed from Table 2. During the first two stages 'district administration' is obviously the main occupation of these officers. In the third stage of their career 'general administration' emerges as the major function absorbing about 20% of their service period. Next in importance during this stage, is Industrial administration which accounts for about 10% of their time. General administration becomes the main sector of activity after they complete 21 years for the Indian Civil and Administrative Service personnel. Insofar as the posting of secondary importance during this stage is concerned, the data present a mixed picture. While the 1930 and 1935 cohorts show 'Agriculture Sector' as important, the later cohorts present 'Miscellaneous administration' as more or less equally important. Column 2 of the table shows the aggregate time spent in each type of administration by all the 140 officers under study during the last 36 years (starting from 1930 to 1966). It may be observed from this that quantitatively 'Miscellaneous administration' is of less significance than Agriculture in the fourth stage. However, this is subject to the limitation that the data are insufficient to give an exact idea of the nature of work of the officers during the last two stages of their career.

#### *Average time spent in different types of Administrations*

Since the total time spent by officers of different batches would not be comparable as the period of service of different cohorts would differ, the average stay in each area during the time these officers were in the service scale has been compared in Table 3. The average amount of time spent in agricultural administration has been generally increasing from batch to batch except for the 1940 batch which was the same as for 1930 batch. The average has increased for commercial, general and miscellaneous administrations. The average amount of time spent in industrial administration (Government) as well as the number of officers has recorded an increase over a period of time.

TABLE 1. *Administrative Occupation of I.C.S./I.A.S. Officers, 1966 Job.*

Cohort	Total		Percentage in each Administrative category									
	Number	%	Agriculture	Social and Educational	Commercial	District	Economic	Financial	General	Industrial (Public-Under taking)	Industrial (Government)	Miscellaneous
ALL	140	100.00	12.86	11.43	3.57	6.43	13.57	13.57	15.00	2.14	7.86	13.57
1930	9	99.99	—	11.11	..	..	11.11	44.44	11.11	11.11	..	11.11
1935	13	99.99	23.08	7.69	..	..	7.69	23.08	15.38	..	7.69	15.38
1940	13	99.99	23.08	7.69	7.69	..	23.08	7.69	15.38	..	..	15.38
1943	6	100.00	..	..	..	..	16.67	..	50.00	16.67	..	16.67
1948	30	99.99	13.33	16.67	3.33	16.67	13.33	16.67	13.33	..	3.33	3.33
1950	32	100.01	15.62	12.50	3.13	6.25	12.50	9.38	9.38	3.13	15.62	12.50
952	37	100.01	8.11	10.81	5.41	5.41	13.51	8.11	16.22	..	10.81	21.62

TABLE No. 2. *Percentage Time Devoted to Different types of Administration by Cohort and work period.*

WORK Period	Total Time Devoted by all Cohorts (in months)	COHORT						
		1930	1935	1940	1943	1948	1950	1952
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Percentage of Time devoted to Agricultural Administration</i>								
I	87	—	1.54	4.87	—	—	0.47	1.23
II	779	1.19	4.58	4.76	6.55	8.57	8.26	6.34
III	809	11.24	6.87	10.81	1.59	14.29	13.65	7.84
IV	341	10.07	8.35	19.38	—	—	—	—
V	97	6.22	14.08	—	—	—	—	—
<i>Percentage of Time devoted to Social and Educational Administration</i>								
I	69	—	—	—	8.06	.94	0.63	0.50
II	835	9.79	8.97	6.78	13.69	1.98	7.53	8.78
III	768	5.29	12.00	4.03	29.17	9.59	8.31	14.05
IV	161	—	11.14	0.39	12.10	—	—	—
V	123	2.55	16.38	—	—	—	—	—
<i>Percentage of Time devoted to Commercial Administration</i>								
I	—	—	—	—	—	—	—	—
II	161	—	1.28	—	3.17	0.52	2.38	1.74
III	256	3.44	6.04	7.51	—	0.54	3.14	4.19
IV	187	6.02	0.40	16.80	—	—	—	—
V	—	—	—	—	—	—	—	—
<i>Percentage of Time devoted to District Administration</i>								
I	6412	97.96	85.77	84.10	78.89	69.61	76.82	69.64
II	4560	43.12	31.96	45.97	42.26	47.46	33.04	34.94
III	1087	29.50	11.72	24.08	7.54	11.40	10.43	9.34
IV	342	21.18	9.38	5.30	0.64	—	—	—
V	—	—	0.29	—	—	—	—	—
<i>Percentage of Time devoted to Economic Administration</i>								
I	162	—	—	5.51	—	3.72	1.30	1.22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
II	1131	9.79	16.76	8.15	—	10.32	10.12	8.14
III	867	10.98	3.02	13.00	6.75	9.20	19.29	19.05
IV	285	6.94	11.14	10.98	0.64	—	—	—
V	156	11.66	18.97	—	—	—	—	—
<i>Percentage of Time devoted to Financial Administration</i>								
I	139	0.74	—	3.08	5.28	2.56	0.42	1.71
II	387	14.55	14.38	10.62	9.92	5.91	9.42	1.58
III	764	11.38	5.77	19.69	5.56	10.46	10.59	3.11
IV	598	26.50	22.92	10.72	—	—	—	—
V	358	36.14	22.70	—	—	—	—	—
<i>Percentage of Time devoted to General Administration</i>								
I	558	1.30	12.69	2.44	7.78	8.50	6.82	5.45
II	1724	10.05	9.34	9.07	11.51	15.40	11.64	22.14
III	1537	16.27	32.05	17.67	32.74	22.91	8.94	16.76
IV	735	24.19	21.23	30.23	17.20	—	—	—
V	207	21.63	11.49	—	—	—	—	—
<i>Percentage of Time devoted to Industrial Administration in Public Undertakings</i>								
I	—	—	—	—	—	—	—	—
II	—	—	—	—	—	0.91	2.46	—
III	159	—	—	—	10.12	4.45	1.33	—
IV	61	—	2.88	—	15.92	—	—	—
V	50	3.89	6.03	—	—	—	—	—
<i>Percentage of Time devoted to Industrial Administration in Government</i>								
I	—	—	—	—	—	—	1.23	0.14
II	153	—	9.62	1.92	—	2.90	6.85	9.52
III	767	8.47	13.37	0.37	—	9.45	11.76	11.62
IV	526	5.09	3.85	—	3.18	—	—	—
V	51	3.89	6.0	—	—	—	—	—
<i>Percentage of Time devoted to Miscellaneous Administration</i>								
I	14	—	—	—	—	—	0.63	0.09
II	915	11.51	3.11	12.73	1.90	6.03	8.41	6.82
III	620	3.44	9.16	2.84	.75	7.68	12.55	14.05
IV	236	—	8.73	6.20	50.32	—	—	—
V	77	5.44	10.06	—	—	—	—	—

I : First 5 year period  
IV : Next 8 year period

II : Next 7 year period  
V : Next 8 year period (Need not be complete period)

III : Next 7 year period

TABLE 3

*Average Time spent in various administrative activities during the stay in the senior scale of I.C.S./I.A.S. Officers*

Administrative activity	1930 (average) (in months)	1935 (average) (in months)	1940 (average) (in months)	1943 (average) (in months)	1948 (average) (in months)
Agricultural . . .	16.3 (3)	22.7 (6)	16.0 (3)	40.0 (1)	47.6 (7)
Social & Educational	22.3 (4)	40.0 (3)	18.2 (6)	59.0 (3)	11.3 (3)
Commercial . . .	—	8.0 (3)	—	16.0 (1)	33.0 (2)
District . . . .	51.6 (7)	34.2 (6)	48.4 (13)	40.2 (6)	36.2 (18)
Economic . . . .	21.2 (6)	18.0 (7)	28.7 (4)	12.0 (1)	37.6 (8)
Financial . . . .	25.7 (6)	27.8 (6)	41.2 (5)	32.0 (2)	19.3 (9)
General . . . . .	22.0 (4)	35.2 (6)	35.5 (6)	30.4 (5)	43.5 (14)
Industrial Undertakings (Public) . . . .	—	—	—	—	33.0 (1)
Industrial Undertakings (Govt.) . . . .	13.0 (1)	42.0 (4)	12.5 (2)	—	29.6 (5)
Miscellaneous . . .	15.4 (5)	26.3 (4)	32.3 (4)	31.3 (3)	25.2 (9)

(Figures in brackets indicate the number of officers contributing towards the average).

## **ANNEXURE 5**

(Para 5.3)

### ***Personnel functions of the Ministries of Home Affairs and Finance, the Cabinet Secretary and some other Organisations***

#### ***Role of Ministry of Home Affairs***

The Ministry of Home Affairs are responsible for regulating all matters of general applicability to all services in order to maintain a common standard of recruitment, discipline, conditions of service, etc. General questions relating to services under the administrative control of the Ministry of Railways and the Department of Atomic Energy, except those which are likely to have repercussions on other services, do not come within the purview of the Ministry of Home Affairs.

So far as All India Services are concerned, the Ministry of Home Affairs are responsible for matters of a general nature, as also for their detailed application to individual cases. As regards the other Central Services, the day to day administration rests with the Ministries concerned. The Ministry of Home Affairs are, however, directly responsible for administration and overall control of the Indian Economic Service, the Indian Statistical Service, the Indian Management Pool and the Central Secretariat Services. The Ministry are also responsible for the administration of services in the Union Territories.

Apart from Sections dealing with matters including disciplinary and vigilance matters relating to the Services under its jurisdiction, the ministry deals with the interpretation and application of and cases relating to the various rules governing Pay, Provident Fund, Discipline and Appeal Rules, Pension, Recruitment, Fixation of cadre strength, travelling allowance, medical attendance, conduct, probation, etc., concerning All India Services, as well as Sections dealing with matters relating to the Central Secretariat Service including general policy and framing and interpretation of Rules, examination, recruitment, allocation, promotion and seniority, training, fixation of Pay, proforma promotions, confirmations in Grade I and Selection Grade, etc., the Ministry of Home Affairs has several Sections which deal with matters of common interest to public services dealt in the Ministry, general questions relating to conditions of service (other than financial) including conduct, discipline, constitutional provisions, conduct rules, confidential reports, leave including special casual leave, conditions of service (financial), e.g., pay, leave, pension, travelling and other allowances, travelling concessions, Provident Fund benefits, leave travel concession, classification of posts, confirmation in service, resignation, the Fundamental and Supplementary Rules, medical examination rules, reorganisation of the machinery of the Government, Temporary Service Rules, general questions relating to recruitment, promotion, confirmation, seniority, etc., of Central Government servants. Individual cases which are not covered by the prescribed rules are also referred to the Ministry of Home Affairs, so far as general conditions of service are concerned.

#### ***Role of the Ministry of Finance***

The Ministry of Finance is responsible for personnel matters having financial implications. This Ministry has to be consulted where departures from rules already laid down and delegated to Ministries are envisaged. About half a dozen Sections are engaged on personnel matters like proposals relating to Central and All India Services, dearness, compensatory, house rent and other allowances, quasi-permanency rules, fixation of pay and pay scales, grant of special pay, dismissal, removal and suspension, leave rules, travelling allowance, deputation, delegation and training abroad, pension, medical attendance rules, classification of posts, provident fund, etc. The Staff Inspection Unit conducts periodical reviews for fixing staff standards, work norms and staff strengths.

### *The Cabinet Secretary*

The Cabinet Secretary is the *ex officio* Chairman of the Central Establishment Board, which is charged with (a) making recommendations for selection and appointment to (i) all posts of and above the rank of Under Secretary to the Government of India in the Secretariat (except posts of Additional Secretary, Special Secretary and Secretary to the Government of India), (ii) all non-Secretariat posts in the Government of India which are manned by officers of All India Services, (iii) all non-Secretariat posts under the Government of India which are included as category 'A' posts in the Schedule of the reorganised Central Secretariat Service, and (iv) advising the controlling authority, viz., the Ministry of Home Affairs in regard to the initial constitution and future maintenance of the Central Administrative Pool as provided for in the scheme for staffing senior administrative posts at the Centre. The Cabinet Secretary also advises the Ministry of Home Affairs in regard to the initial constitution and future maintenance of Selection Grade and Grade I of the C.S.S. on matters specifically referred to the Board by that Ministry. He also heads a Committee of Secretaries which considers questions relating to the manning of top posts in the public sector undertakings. Under the supervision of the Cabinet Secretary, the Bureau of Public Enterprises maintains panels for appointment to these posts.

### *The Establishment Officer*

The Establishment Officer, who is administratively under the Ministry of Home Affairs, is also the Secretary to the Central Establishment Board. Among other things, the Establishment Officer keeps himself in close touch with State Governments, the Comptroller and Auditor General and the Ministries of Home And Finance, etc., for the systematic planning and maintenance of supply of suitable officers for manning the "deputation" posts at the Centre as well as in connection with the selection or reversion of officers falling within the purview of the Central Establishment Board.

### *Union Public Service Commission*

The Union Public Service Commission deals with different matters connected with the various examinations held by and recruitment to various posts filled through the Commission. There are also Service Sections dealing with disciplinary matters, quasi permanency, seniority, Service Schemes and classification of posts. Certain Sections also deal with departmental promotions, Selection Committees and initial constitutions of the new All India Services.

There are certain other agencies concerned with various other personnel functions. By way of example the Ministries of Health and Works and Housing deal with medical facilities and residential accommodation for Government employees. The Ministry of Labour and Employment deals with recruitment of personnel not coming within the purview of the Union Public Service Commission.

(Source : Ministries of Home Affairs and Finance)



## ANNEXURE 7(1)

(Para 7.29)

### *Extracts from the Report of the Committee which examined the problems of recruitment and manning of posts in the public undertakings (1966)*

"10. The Committee considers a reorganisation of the Pool (IMP), and even the setting up of a new Pool, both possible and desirable, in pursuance of a deliberate scheme of encadrement of posts and of active participation in the scheme by the enterprises concerned. The latter aspect, viz., that of active participation of the enterprises, is important, in order to create a feeling of involvement among them. The Committee would recommend that this can be achieved by providing for representation of the Public Enterprises along with that of the Government of India in the controlling Board of the Pool or Pools. With such participation, it should not be difficult to convince the administrative Ministries concerned as well as the public enterprises that it would be to their larger interest to encadre at least a proportion of their middle level posts in the Pool and accept a certain amount of restriction in their autonomy in this respect, by leaving such posts to be filled by the Pool authorities. The Committee has no doubt that the benefit which the officers of the enterprises would derive by participating in the Pool, the greater contentment this would create and the larger interest the Pool would serve, will persuade most, if not all, the public enterprises to accept the scheme.

11. Another broad conclusion which would follow from the review of the problems of preceding paragraphs is that there is need to provide a suitable mechanism to utilise the surplus staff available with some of the public enterprises and thus prevent not only psychological frustration arising out of the lack of prospects, but in fact avoid waste of trained manpower. As has been stated earlier in this report, there are instances, specially when public enterprises switch over from the stage of construction to that of production, of trained manpower becoming surplus to man their requirements. Even otherwise, there are instances of concentration of power at certain age or seniority levels which create frustration at the lack of prospects among persons, otherwise suitable, from being promoted to higher managerial levels and cause flight of personnel from such enterprises. Both these types of problems call for the creation of a central mechanism to enable transfers to be made from one public enterprise to another. It should be possible for this central organisation to take note both of the position of surplus and that of stagnation arising in certain enterprises and to correlate them with the requirements of others. It should also be possible as a matter of convention to provide that the public enterprises where vacancies exist should, in the first instance, consider the personnel available from enterprises which are in a position to provide such personnel. The Committee does not envisage compulsory regulation of such transfers, but feels that an arrangement for correlation and persuasion would suffice to ensure the flow of trained personnel to enterprises where they are needed most from those that can spare them. The Committee is of opinion that it would be best to entrust this work to the authorities of the Central Pool the constitution of which has been recommended in the preceding paragraphs.

12. *Recruitment* : The Committee has considered the problem of recruitment in the above context. It is aware of the suggestions made that there should be a common recruitment authority, analogous to the Public Service Commission, for recruitment of personnel to the Public Enterprises. The Committee is not in favour of such a Central authority, not merely because it would infringe on the autonomy of the Enterprises, but more so because such recruitment would cause considerable delays which the Enterprises can ill afford. Recruitment to meet the immediate needs of an Enterprise as it develops is an urgent necessity. This urgency can be and is felt by the Enterprise concerned, and cannot be transmitted to a Central authority which would

necessarily deal with requisitions from the different Enterprises on the basis of its own priorities. The procedure for recruitment specially when such recruitment is conducted by a Central authority, tends to be elaborate and time consuming. This has certainly happened in Government and though for various reasons the system of recruitment through Public Service Commission has to be followed in Government organisations, there is no need to relay it to the Public Enterprises. The Committee is, therefore of opinion that the initial recruitment should be left to the Public Enterprises themselves except to the extent indicated hereafter.

13. *Manning of Middle Level Posts* : Consistent with the general scheme outlined in the preceding paragraphs, the Committee would make the following recommendations :

- (i) Public Enterprises which participate in the Pool Scheme should undertake a review of their present posts carrying pay of and above the minimum of Rs. 1300 and grade them in the following three scales:—
  - (a) Rs. 1300—60—1600
  - (b) Rs. 1600—100—2000
  - (c) Rs. 2000—125—2250
- (ii) Public Enterprises which participate in the scheme should encadre in the Central Pool normally 50% of the posts of the three above levels in the following branches:—
  - (a) General management, including stores, purchase, sales, and personnel branches.
  - (b) Financial management, including commercial accounting and cost accounting.
  - (c) Technical, consisting of Construction Engineering, Electrical Engineering, Mechanical Engineering, Industrial Engineering, Chemical Engineering and Mining Engineering.
- (iii) The above should not be rigidly exclusive of one or another. In fact, subject to the requirements of the posts there should be interflow of personnel from one branch to another, and all branches should have personnel for the top managerial posts.
- (iv) The above recommendations, if accepted, would lead to a comparatively large number of posts being encadred at the three levels from Rs. 1300—1600 to Rs. 2000—2250.

For the reorganised Industrial Management Pool it would, therefore, be necessary to recruit suitable officers at these levels. The Committee recommends that this should be done mainly by selection of existing officers serving in the public undertakings who are willing to be considered for appointment to the Pool. The rules for this purpose specifying the qualifications, total length of experience etc., for recruitment to the various grades of the Pool can be prescribed by the Controlling Authority, but normally, officers holding posts in public enterprises either at the same level or at a level immediately below, should be eligible for appointment to the appropriate grades in the Pool.

- (v) The actual number of posts to be encadred by a Public Enterprise in the Pool would have to be adjusted on the basis of the number of officers selected from that Enterprise for the Pool. It is not the intention that the officers holding the posts at these levels in the public enterprises should be permanently debarred from appointments at these levels merely because they are either unwilling to be considered for the Pool or are not selected for it. For such officers who remain outside the Pool, certain ex-cadre posts should be available not only for their continuance in their existing posts

but also for their normal promotions. If, for this purpose, certain variations have to be made, from the normal percentage of inclusion recommended earlier, the Committee is of opinion that such modifications should be made. This will ensure that no one is adversely affected by inclusion of posts in the Pool.

- (vi) In order not to cause hardship to the existing officers of public enterprises, the Committee recommends that officers who are either not willing to be considered for the Pool or are not selected for it at a particular stage, should not, for either of these reasons, be debarred from further consideration. Whenever vacancies arise in the Pool, all eligible officers should be considered, including those who had not been selected earlier. It should be open to an officer to change his mind and offer himself for the Pool for any subsequent vacancy that may arise.
- (vii) The Home Ministry should continue to be the controlling authority of the recognised Pools. The Committee is, however, of opinion that the Advisory Committee should be more broad based than it is at present in order to make it acceptable to the public enterprises. The Committee suggests that the Board should consist of the following:—
1. Cabinet Secretary . . . . . *Chairman*
  2. Secretary, Ministry of Home Affairs . . . *Ex-Officio Member*
  3. Secretary In-charge of Public Enterprises . . . *Do.*
  4. Four chief executives of Public Enterprises . . . *Do.*  
drawn by rotation.

The Board may appoint a whole-time or part-time Secretary as it considers necessary.

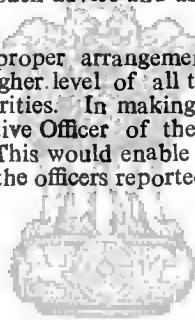
- (viii) The Advisory Board proposed in the preceding sub-paragraph should deal with promotions, postings and transfers in respect of all the grades of Industrial Management Pool carrying pay scales whose maxima do not exceed Rs. 2250, excluding posts of Chief Executive Officers and Financial Controllers/Advisers of public enterprises for which appointments are made by Government. These posts as well as posts carrying pay above Rs. 2250/- should continue to be considered by the Committee of Secretaries as at present.
- (ix) The Committee does not envisage that the Advisory Board would need to meet very frequently. It would suffice if a meeting is held once every quarter. The main function of the Board should be to draw up approved panels based on selection by merit for different grades of the Pool. Subject to these panels, it should be open to the Secretary of the Board in direct correspondence with the Public Enterprises concerned to post officers to the Public Enterprises and report such postings to the next meeting of the Board. The normal procedure should be for the Secretary to suggest as far as possible, a list of four or five names for each post to be filled to the Enterprise in question.
- (x) In framing recruitment rules for the aforesaid grades of the Pool, direct recruitment from the open market should be indicated as a distinct possibility. The Committee is, however, of opinion that preference should be given to the existing officers of the Public Enterprises and that direct recruitment should be resorted to only when and to the extent that suitable officers are not available from the enterprises themselves.
- (xi) On initial appointment to the Pool, the Officer belonging to a Public Enterprise should be allowed to retain his lien on his parent post as long as he is on probation. On satisfactory completion of the probation, however, when the officer is confirmed in the Pool, he should be required to give up his lien in the parent enterprise. On such absorption, the officer would be subject to all the conditions of service attached to the Pool e.g., rules of

pension, leave, provident fund, transfer, T.A. etc. The Committee does not intend to go into details of recruitment, initial or recurring, nor into such matters as the period of probation. These can be worked out by the controlling authority, namely, the Home Ministry in consultation with the Bureau of Public Enterprises.

(xii) In order to provide suitable material for recruitment to the Pool, the Committee considers it highly necessary that the methods of recruitment, training and prescription of minimum qualifications for junior level posts in the public undertakings should be placed on a firm, and if possible, uniform basis. The Ministry of Industry has already circulated to the Public Enterprises certain model Recruitment and conditions of Service rules. Ministries should ascertain from the Public Undertakings the extent to which these rules have in practice been adopted by the latter. Any further advice or assistance in this matter should be available from the Bureau of Public Enterprises.

(xiii) It is also necessary that the system of reporting on officers should be both systematic and uniform in order that it is possible to apply the same standard of assessment to officers belonging to the various undertakings. In the opinion of the Committee, the confidential report on officers should as far as possible, be factual and objective. In the case of field officers, it should be possible for reporting officers to indicate the results actually achieved in regard to production and cost thereof. Even in other spheres, certain objective criteria too, the Bureau of Public Enterprises would be in a position to render such advice and assistance as the public undertakings may require.

It is also necessary that proper arrangements should be made by the Public Enterprises for review, at a higher level of all the reports on officers prepared by the immediate superior authorities. In making this review, the Committee is of opinion that the Chief Executive Officer of the undertaking should be assisted by senior heads of departments. This would enable the Chief Executive to be fully apprised of the performance of the officers reported upon."



सत्यमेव जयते

## LIST OF ABBREVIATIONS USED

### *SERVICES*

CE EnggS	: Central Electrical Engineering Service, Central Public Works Department.
CEngS	: Central Engineering Service, Cenrtal Public Works Department.
CIS	: Central Information Service
CRCS	: Central Revenue Chemical Service
CSS	: Central Secretariat Service
CED (Rlys)	: Civil Engineering Department of Railways
EED (Rlys)	: Electrical Engineering Department of Railways
GCS, ITM	: General Central Service, Institute of Tropical Meteorology, Poona
IA & AS	: Indian Audit and Accounts Service
IAS	: Indian Administrative Service
ICS	: Indian Civil Service
ICCES	1 Indian Customs & Central Excise Service
IDAS	: Indian Defence Accounts Service
IES	1 Indian Economic Service
IFS	1 Indian Foreign Service
IIS	: Indian Inspection Service
IL & CS	: Indian Land & Cantonments Service
IMP	: Industrial Management Pool
IMetS	: Indian Meteorological Service
IP	: Indian Polic
IPS	: Indian Police Service
IPostS	1 Indian Postal Service
IRAS	: Indian Railway Accounts Service
IRS	: Indian Revenue Service (Income Tax Branch)
IRSME	: Indian Railway Service of Mechanical Engineers
IRTS	1 Indian Railway Traffic Service
ISS	: Indian Supply Service
IStS	: Indian Statistical Service
SD (Rly)	: Stores Department of Railways
S&TD (Rly)	: Signals and Telecommunication Department of Railways

### *OTHERS*

BDO	: Block Development Officer
B. Sc	: Bachelor of Science
CAPSECS	: Central Association of Public Sector Enterprises for Common Services

CPA	: Central Personnel Agency
CW&PC	: Central Water & Power Commission
CEO	: Chief Executive Officer
CSIR	: Council of Scientific & Industrial Research
DA	: Dearness Allowance
DPC	: Departmental Promotion Committee
DGTD	: Directorate General of Technical Development
HAL	: Hindustan Aeronautics Limited
HSL	: Hindustan Steel Limited
ICAR	: Indian Council of Agricultural Research
IIPA	: Indian Institute of Public Administration
LIC	: Life Insurance Corporation
LDC	: Lower Division Clerk
NCO	: Non-Commissioned Officer
O & M	: Organisations & Methods
PSC	: Public Service Commission
SIU	: Staff Inspection Unit
SRU	: Special Reorganisation unit
UK	: United Kingdom
UPSC	: Union Public Service Commission
UDC	: Upper Division Clerk
USA	: United States of America
WPM	: Words per minute

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